UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) September 19, 2004

Jarden Corporation
(Exact name of registrant as specified in its charter)

Delaware	0-21052	35-1828377
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

555 Theodore Fremd Avenue, Rye, New York	10580
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (914) 967-9400

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240-14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

AGREEMENT TO ACQUIRE AMERICAN HOUSEHOLD, INC.

On September 19, 2004, Jarden Corporation (the "Company") executed a Securities Purchase Agreement (the "Securities Purchase Agreement") to acquire (the "AHI Acquisition") all of the capital stock of American Household, Inc. ("AHI") upon the terms and subject to the conditions contained in the Securities Purchase Agreement. The aggregate purchase price for 100% of AHI's common stock is approximately $745,600,000, subject to certain adjustments as set forth in the Securities Purchase Agreement. The Company will also repay or assume the outstanding indebtedness of AHI.

The Company has initially entered into the Securities Purchase Agreement with AHI and Morgan Stanley Senior Funding, Inc., Wachovia Bank National Association, Banc of America Strategic Solutions, Inc., Jerry W. Levin, 1st Trust & Co. FBO, Jerry W. Levin, Rollover, 1st Trust & Co. FBO, Jerry W. Levin, IRA SEP and Abby L. Levin Trust, which sellers constitute the holders of a majority of the outstanding common stock of AHI. There is no material relationship, other than in respect of the AHI Acquisition, between AHI and these sellers, on the one hand, and the Company or any of its affiliates, or any director or officer of the Company, or any associate of any such director or officer, on the other hand.

The closing of the AHI Acquisition is conditioned upon, among other things, the Sellers delivering to the Company, in exchange for the acquisition consideration therefor, securities representing at least 90% of the outstanding shares of common stock of AHI, which condition may be waived by the Company. Following the closing of the AHI Acquisition, if less than all of AHI's equity securities are acquired at the closing, the Company will cause AHI to be merged with or into the Company or a wholly-owned subsidiary of the Company. Subject to

applicable appraisal rights, any stockholders of AHI who had not previously sold their shares of common stock at the closing will have their shares of AHI common stock cancelled in the merger and will receive the consideration that they would have been entitled to receive had they sold their shares of common stock at the closing of the acquisition. Between the signing of the Securities Purchase Agreement and the closing of the AHI Acquisition, any AHI stockholder who is not already a party to the Securities Purchase Agreement will be allowed to become a party thereto and to sell its shares of AHI common stock at the closing by executing a separate joinder agreement that will add them as a party to the Securities Purchase Agreement. Between the closing of the AHI Acquisition and the merger, stockholders who did not sell their shares of AHI common stock at the closing will continue to be given the opportunity to sign a joinder agreement and sell their shares to the Company for the acquisition consideration to which they would have been entitled at the closing.

The Company will pay for the AHI Acquisition consideration with (i) the cash proceeds received upon the closing of the Equity Investment Financing (as defined below) (see description under the heading "Equity Investment Financing" of this Item 1.01) and (ii) funds borrowed

upon the closing of the Debt Financing (as defined below) (see description under the heading "Debt Financing" of this Item 1.01).

The Company intends to close the acquisition during the first quarter of 2005, subject to Hart-Scott-Rodino clearance and other customary conditions set forth in the Securities Purchase Agreement. AHI is a leading global consumer products company that designs, manufactures, and markets, a diverse portfolio of durable consumer products. Through its subsidiaries, AHI produces a diverse array of products including coffeemakers, irons, blenders, toasters, smoke alarms, scales, tents, coolers, sleeping bags and lanterns under the well-known brand names BRK(R), Campingaz(R), Coleman(R), First Alert(R), Health o meter(R), Mr. Coffee(R), Oster(R), and Sunbeam(R).

In connection with the AHI Acquisition, the Company has engaged each of Citigroup Global Markets Inc. and CIBC World Markets Corp. to act as its financial advisor and to provide such financial advisory and investment banking services for the Company as are customary in transactions of this type. As part of its engagement, Citigroup Global Markets, if requested by the Company, will render a written opinion as to the fairness, from a financial point of view, to the Company of the consideration to be paid in the AHI Acquisition.

No assurances can be given that the AHI Acquisition will be consummated or, if such acquisition is consummated, as to the final terms of such acquisition. A copy of the Securities Purchase Agreement is attached to this report as Exhibit 10.1 and is incorporated herein by reference as though fully set forth herein. The foregoing summary description of the Securities Purchase Agreement and the transactions contemplated thereby is not intended to be complete and is qualified in its entirety by the complete text of the Securities Purchase Agreement.

EQUITY INVESTMENT FINANCING

In addition, on September 19, 2004, Jarden entered into a Purchase Agreement (the "Equity Purchase Agreement") with Warburg Pincus Private Equity VIII, L.P. ("Warburg Pincus"), pursuant to which the Company has agreed to sell, and Warburg Pincus has agreed to purchase, for a total purchase price of $350,000,000 (the "Cash Proceeds"):

- 128,571 shares of a new class of preferred stock, Series B Convertible Participating Preferred Stock, par value $.01 per share (the "Series B Preferred Stock" or "Series B Preferred Shares"), at a price of $1,000.00 per share;

- 200,000 shares of a new class of preferred stock, Series C Mandatory Convertible Participating Preferred Stock, par value $.01 per share (the "Series C Preferred Stock" or "Series C Preferred Shares" and, together with the Series B Preferred Stock, the "Preferred Stock" or "Preferred Shares"), at a price of $1,000.00 per share; and

- 714,286 shares of Jarden's common stock, par value $.01 per share (the "Common Stock" or "Common Shares" and, together with the Preferred Stock, the "Securities"), at a price of $30.00 per share.

The purchase and sale of the Securities for the Cash Proceeds pursuant to the terms of the Equity Purchase Agreement and the Escrow Agreement (as defined below) is referred to herein as the "Equity Investment Financing".

The closing in escrow of the Equity Investment Financing (the "Funding Date") is expected to occur by the later of (i) October 8, 2004 and (ii) receipt of certain bank consents required under the Company's Second Amended and Restated Credit Agreement, dated as of June 11, 2004, among the Company,

Canadian Imperial Bank of Commerce, as administrative agent, Citicorp North America, Inc., as syndication agent, National City Bank of Indiana and Bank of America, N.A., as co-documentation agents and the lenders party thereto (the "Existing Credit Agreement") relating to the Equity Investment Financing. On the Funding Date, the Company and Warburg Pincus will enter into an escrow agreement (the "Escrow Agreement") pursuant to which both the Securities and the Cash Proceeds are deposited into an escrow fund. At such time as the Cash Proceeds are needed in connection with the AHI Acquisition, and in accordance with the terms of the Escrow Agreement, the Cash Proceeds will be released from escrow for use in consummating the AHI Acquisition and the Securities will be issued and released from escrow and delivered to Warburg Pincus. The Equity Purchase Agreement may be terminated (i) if the escrow deposit has been released to Warburg Pincus in connection with the termination of the AHI Acquisition in accordance with the terms of the Escrow Agreement or (ii) by mutual agreement of the parties.

The Equity Purchase Agreement also provides for:

- a standstill agreement pursuant to which Warburg Pincus and its affiliates will, for a period of five years after the Funding Date (subject to certain exceptions), neither acquire beneficial ownership of more than 35% of the Company's voting stock or Common Stock (assuming conversion into Common Stock of the Preferred Stock) nor engage or participate in any specified change of control transactions with respect to the Company, including any merger or other business combination, acquisition of assets or other similar transactions, subject to permitted exceptions;

- the Company to use its commercially reasonable best efforts to (i) file a registration statement (the "Registration Statement") with respect to the shares of Common Stock acquired by Warburg Pincus under the Equity Purchase Agreement and all shares of Common Stock issuable upon conversion of the Preferred Shares by the 60th day following the AHI Acquisition (but in no event later than the 90th day following such acquisition) and (ii) have the Registration Statement declared and kept effective in accordance with the terms of the Equity Purchase Agreement;

- certain preemptive rights allowing Warburg Pincus to maintain its proportionate ownership interest in the Company if the Company makes a new public or private offering of Common Stock (or securities convertible or exchangeable into Common Stock);

- liquidity rights pursuant to which, after the fifth anniversary of the funding of the Escrow Agreement, holders of at least 75% of the then outstanding shares of Series B Preferred Stock and shares of Series C Preferred Stock, considered as a single class, will have the right to submit a request in writing that the Company initiate a recapitalization in which each share of Series B Preferred Stock and Series C Preferred Stock outstanding as of the date of consummation of such transaction will be reclassified and repaid in an amount equal to or in excess of each such series of preferred stock's liquidation preference then in effect; the Company will complete a recapitalization or alternatively, the Company may, at its sole election, remarket the Preferred Stock for a purchase price not less than an amount equal to or in excess of each such series of preferred stock's liquidation preference then in effect; and

- the Company to cause, for so long as Warburg Pincus owns at least one-third of the shares of Series B Preferred Stock initially purchased (on an as converted basis), one person nominated by Warburg Pincus to be elected or appointed to the Company's Board of Directors as promptly as practicable following the Funding Date (the "Board Representative") and who, when serving on the Board of Directors, will be entitled to serve on all major committees and subcommittees of the Board, except to the extent prohibited by applicable law or stock exchange regulation; the Company and Warburg Pincus have agreed that Charles R. Kaye, the Co-President of Warburg Pincus, will be the initial Board Representative.

If the Equity Investment Financing is consummated, the Company will file (i) a Certificate of Designations, Preferences and Rights of Series B Convertible Participating Preferred Stock of Jarden Corporation (the "Series B Certificate of Designations") and (ii) a Certificate of Designations, Preferences and Rights of Series C Mandatory Convertible Participating Preferred Stock of Jarden Corporation (the "Series C Certificate of Designations"). There can be no assurance that the Equity Investment Financing will be consummated by the parties or, if it is, that the final terms, including the terms of the Series B Preferred Stock and Series C Preferred Stock, will not differ from those currently agreed to in the Equity Purchase Agreement.

The shares of Series B Preferred Stock expected to be issued to Warburg Pincus pursuant to the Equity Purchase Agreement will be voting securities that will be convertible into Common Stock at the option of the holder. The initial

liquidation preference for the shares (the "Base Liquidation Value") of Series B Preferred Stock will be $1,000.00 per share, which amount will accrete at 3.50% per annum, compounded annually, from the Funding Date through but not including the fifth anniversary thereof, plus any accrued but unpaid dividends thereon; provided,

however, that for purposes of determining the Base Liquidation Value of any shares of Series B Preferred Stock issued after the date on which shares of Series B Preferred Stock were first issued (as a result of the mandatory conversion of the Series C Preferred Stock), such accretion will commence from the date of issuance of such shares. In the event of a Change in Control (as defined in the Series B Certificate of Designations) prior to the fifth anniversary of the Funding Date providing for the payment of an amount per share of Common Stock below the applicable Change in Control Threshold Price (as defined in the Series B Certificate of Designations), the liquidation preference will automatically increase to the amount to which it would have accreted up until the date of such Change of Control had the accretion rate been 10% per annum during such period, plus any declared but unpaid dividends. From and after the fifth anniversary of the Funding Date, the liquidation value will be the Base Liquidation Value plus $462.31 per share. Otherwise, the liquidation preference will be the Base Liquidation Value. The liquidation preference is generally subject to adjustment in the event the Company undertakes a business combination or other extraordinary transaction, or the Company is liquidated or dissolved.

Holders of the outstanding shares of Series B Preferred Stock ("Series B Holders") will have the right to participate equally and ratably with the holders of shares of Common Stock and holders of shares of Series C Preferred Stock in all dividends and distributions paid on the Common Stock. Additionally, beginning with the three-month period ending three months after the five year anniversary of the Funding Date, the Series B Holders will be entitled to receive quarterly dividends equal to 4.0% of the Base Liquidation Value then in effect. If the Company fails to pay this dividend in a given period, the dividend rate will be increased to 10.0% of the Base Liquidation Value in subsequent quarterly periods until the quarterly period following the date on which all such prior dividends have been paid in full.

Upon a Change in Control, Series B Holders may, at their election: (a) convert the Series B Preferred Stock into Common Stock and receive the Change in Control Consideration upon conversion; (b) in lieu of receiving any liquidation preference in respect of such Series B Preferred Stock upon such Change in Control, continue to hold the Series B Preferred Stock in any surviving entity resulting from such Change in Control or, in the case of a sale of the Company's assets which results in a Change in Control, the entity purchasing such assets; or (c) within sixty days after the date of the Change in Control, request, in lieu of receiving the Change in Control Consideration, that the Company redeem, out of funds lawfully available for the redemption of shares, the Series B Preferred Stock for an amount in cash equal to the liquidation preference as of the redemption date and after giving effect to the Change in Control; provided, that the Company may, in lieu of making the redemption so requested, effect a Remarketing, as described below. With respect to Series B Preferred Stock, "Change in Control Consideration" means the shares of stock, securities, cash or other property issuable or payable (as part of any reorganization, reclassification, consolidation, merger or sale in connection with the Change in Control) with respect to or in exchange for such number of outstanding shares of Common Stock as would have been received upon conversion of the Series B Preferred Stock at the Conversion Price (as defined below) for such Series B Preferred Stock then in effect.

If the Company elects to effect a Remarketing (as discussed above), the Company will

adjust the dividend rate on the Series B Preferred Stock to the rate (as of the date of the Remarketing) necessary in the opinion of a nationally recognized investment banking firm to allow such bank to resell all of the Series B Preferred Stock on behalf of all holders who have delivered a redemption request (such resale, the "Remarketing") at a price of not less than 100% (after deduction of such investment bank's fees) of the liquidation preference then in effect.

The Series B Holders will have the right, at any time and from time to time, at their option, to convert any or all of its shares of Series B Preferred Stock, in whole or in part, into fully paid and non-assessable shares of Common Stock at the conversion price equal to $32.00, subject to adjustment as set forth in the Series B Certificate of Designations (as adjusted from time to time, the "Conversion Price"). The number of shares of Common Stock into which a share of the Series B Preferred Stock will be convertible will be determined by dividing the liquidation preference in effect at the time of conversion, by the Conversion Price in effect at the time of conversion. The Company will have the right to require the Series B Holders, at the Company's option, to convert the shares of Series B Preferred Stock, in whole or in part (on a pro rata basis),

into fully paid and non-assessable shares of Common Stock at the Conversion Price, but only if (A) the Registration Statement has been declared effective and continues to be effective, (B) the average market price of the Common Stock for each trading day during a period of 30 consecutive trading days ended within 10 days prior to the date the Company exercises this option exceeds 175% of the Conversion Price and (C) the market price of the Common Stock during such period exceeds 175% of the Conversion Price for 15 consecutive trading days during that period. The number of shares of Common Stock into which a share of the Series B Preferred Stock will be convertible will be determined by dividing the liquidation preference in effect at the time of conversion by the Conversion Price in effect at the time of conversion.

The Series B Holders will be entitled to vote with the holders of the Common Stock on all matters submitted for a vote of holders of Common Stock (voting together with the holders of Common Stock as one class) and will be entitled to a number of votes equal to the number of votes to which shares of Common Stock issuable upon conversion of such shares of Series B Preferred Stock would have been entitled if such shares of Common Stock had been outstanding at the time of the applicable vote and related record date. Also, so long as at least one-third of the aggregate outstanding shares of Series B Preferred Stock issued prior to the date of determination remain outstanding, the Company will be prohibited from taking certain actions specified in the Series B Certificate of Designations (including certain amendments to the Company's By-Laws or Certificate of Incorporation, the issuance of any securities ranking senior to or on parity with the Series B Preferred Stock and the incurrence of indebtedness in excess of certain financial ratios) without the Company obtaining the written consent or affirmative vote at a meeting called for that purpose by holders of at least a majority of the outstanding shares of Series B Preferred Stock.

The shares of Series C Preferred Stock expected to be issued to Warburg Pincus pursuant to the Equity Purchase Agreement will be redeemable non-voting securities that will be

mandatorily convertible into Series B Preferred Stock and Common Stock, as more fully described below. The Base Liquidation Value of the Series B Preferred Stock will be $1,000.00 per share (the "Original Liquidation Value"), which amount will accrete at 3.50% per annum, compounded annually, from the Funding Date, provided that such rate will increase to 5.00% as of the seventh month anniversary of the Funding Date and will thereafter increase at the end of each successive six month period by adding 50 basis points to the rate then in effect if any shares of Series C Preferred Stock are then in effect, plus any accrued but unpaid dividends thereon. In the event of a Change in Control (as defined in the Series C Certificate of Designations) prior to the fifth anniversary of the Funding Date providing for the payment of an amount per share of Common Stock below the applicable Change in Control Threshold Price (as defined in the Series C Certificate of Designations), the liquidation preference will automatically increase to the amount to which it would have accreted up until the date of such Change of Control had the accretion rate been 10% per annum during such period, plus any declared but unpaid dividends. From and after the fifth anniversary of the Funding Date, the liquidation value will be the Base Liquidation Value, less the Base Liquidation Value on the fifth anniversary of the Funding Date, plus $2,100.00 per share. Otherwise, the liquidation preference will be the Base Liquidation Value. The liquidation preference is generally subject to adjustment in the event the Company undertakes a business combination or other extraordinary transaction, or the Company is liquidated or dissolved.

Holders ("Series C Holders") of the outstanding shares of Series C Preferred Stock will have the right to participate equally and ratably with the holders of shares of Common Stock and holders of shares of Series B Preferred Stock in all dividends and distributions paid on the Common Stock. Additionally, beginning with the three-month period ending three months after the five year anniversary of the Funding Date, the Series C Holders will be entitled to receive quarterly dividends equal to 9.5% of the Base Liquidation Value then in effect. If the Company fails to pay this dividend in a given period, the dividend rate will be increased to 10.0% of the Base Liquidation Value in subsequent quarterly periods until the quarterly period following the date on which all such prior dividends have been paid in full.

Upon a Change in Control, Series C Holders may, at their election: (a) if the Conversion Approval (as defined below) has been obtained, convert the Series C Preferred Stock into Common Stock and receive the Change in Control Consideration upon conversion; (b) exercise the special redemption rights described below; (c) in lieu of receiving any liquidation preference in respect of such Series C Preferred Stock upon such Change in Control, continue to hold the Series C Preferred Stock in any surviving entity resulting from such Change in Control or, in the case of a sale of the Company's assets which results in a Change in Control, the entity purchasing such assets; or (d) within sixty days after the date of the Change in Control, request, in lieu of receiving the Change in Control Consideration, that the Company redeem, out of funds lawfully available for the redemption of shares, the Series C Preferred Stock for an amount in cash equal to the liquidation preference as of the redemption date and after giving effect to the Change in Control; provided, that the Company may, in lieu of making the redemption so requested, effect a Remarketing, as described below. With respect to Series C Preferred Stock, "Change in Control

Consideration" means the shares of stock, securities, cash or other property

issuable or payable (as part of any reorganization, reclassification, consolidation, merger or sale in connection with the Change in Control) with respect to or in exchange for such number of outstanding shares of Common Stock as would have been received upon conversion of the Series C Preferred Stock (or conversion of the Series B Preferred Stock into which the Series C Preferred Stock is convertible) at the Conversion Price (as defined below) for such Series C Preferred Stock then in effect.

If the Company elects to effect a Remarketing, the Company will adjust the dividend rate on the Series C Preferred Stock to the rate (as of the date of the Remarketing) necessary in the opinion of a nationally recognized investment banking firm to allow such bank to resell all of the Series C Preferred Stock on behalf of all holders who have delivered a redemption request (such resale, the "Remarketing") at a price of not less than 100% (after deduction of such investment bank's fees) of the liquidation preference then in effect.

Upon receipt by the Company of both (1) shareholder approval of the mandatory conversion of Series C Preferred Stock into Series B Preferred Stock and Common Stock (the "Conversion Approval") and (2) (A) shareholder approval of the proposed charter amendment to the Company's Certificate of Incorporation (the "Charter Amendment Approval") or (B) written waivers of the requirement to receive the Charter Amendment Approval from holders of a majority of the then outstanding shares of Series C Preferred Stock (provided that such waivers will be deemed to have been granted if the Conversion Approval has been obtained but the Charter Amendment Approval has not been approved from and after the 31 month anniversary of the Funding Date) then each share of Series C Preferred Stock shall automatically convert into a number of shares of fully paid and non-assessable shares of both (x) Series B Preferred Stock and (y) Common Stock. The number of shares of Series B Preferred Stock into which a share of Series C Preferred Stock is convertible will be determined by multiplying the liquidation preference in effect at the time of conversion by 0.857143 and dividing by $1,000.00. The number of shares of Common Stock into which a share of Series C Preferred Stock will be convertible will be determined by multiplying the Original Liquidation Value in effect at the time of conversion by 0.142857 and dividing by the mandatory conversion price of $30.00 (subject to adjustment as set forth in the Series C Certificate of Designations).

The proposed charter amendment provides that the restrictions on transactions with related parties in the Company's Certificate of Incorporation would not apply to Warburg Pincus and its affiliates, except that during the first five years after the Funding Date and if the standstill described above applies, Warburg Pincus will be subject to the related party restrictions if, together with its affiliates and associates, it beneficially owns more than 35% of the voting stock of the Company.

From and after the seven month anniversary of the consummation of the AHI Acquisition, each Series C Holder will have the right, at any time and from time to time, at such holder's option, to require the Company to redeem any or all of such holder's shares of Series C Preferred Stock, in whole or in part, at a price per share of Series C Preferred Stock equal to (x)

the liquidation value in effect on such special redemption date multiplied by (y) the market price of a share of Common Stock on the date such holder transmits to the Company the notice required by the Series C Certificate of Designations divided by (z) the special redemption price, initially equal to $31.71 and to be reduced by 10% as of the seventh month of the Funding Date (subject to adjustment as set forth in the Series C Certificate of Designations) (the "Special Redemption Price").

From and after the fifth anniversary of the Funding Date, the Company will have the right, at its option, to redeem outstanding shares of Series C Preferred Stock, from time to time, in whole or in part (on a pro rata basis), at a price per share of Series C Preferred Stock equal to (x) the liquidation preference on the special redemption date multiplied by (y) the market price of a share of Common Stock on the date on which the Company transmits to the holders of shares of Series C Preferred Stock to be redeemed the notice required by Series C Certificate of Designations divided by (z) the Special Redemption Price, but only if at the time the Company exercises this option, (A) the average market price of the Common Stock for each trading day during a period of 30 consecutive trading days ended within 10 days prior to the date the Company exercises this option exceeds 210% of the conversion price and (B) the market price of the Common Stock during such period exceeds 210% of the conversion price for 15 consecutive trading days during the period referred to in clause (A).

The Series C Holders will not be entitled to vote on matters submitted to the holders of the Company's Common Stock and Series B Preferred Stock. However, so long as at least one-third of the aggregate outstanding shares of Series C Preferred Stock issued prior to the date of determination remain outstanding,

the Company will be prohibited from taking certain actions specified in the Series C Certificate of Designations (including certain amendments to the Company's By-Laws or Certificate of Incorporation, the issuance of any securities ranking senior to or on parity with the Series C Preferred Stock and the incurrence of indebtedness in excess of certain financial ratios) without the Company obtaining the written consent or affirmative vote at a meeting called for that purpose by holders of at least a majority of the outstanding shares of Series C Preferred Stock.

Copies of the Equity Purchase Agreement, the Form of Series B Certificate of Designations and the Form of Series C Certificate of Designations are attached to this report as Exhibits 10.2, 10.3 and 10.4, respectively, and are incorporated herein by reference as though fully set forth herein. The foregoing summary description of the Equity Investment Financing is not intended to be complete and is qualified in its entirety by the complete texts of the Equity Purchase Agreement, the Series B Certificate of Designations and the Series C Certificate of Designations.

DEBT FINANCING

The Company has also received a Commitment Letter, dated September 19, 2004 (the "Commitment Letter"), from Citicorp USA, Inc. (together with its affiliates, "Citigroup") and Canadian Imperial Bank of Commerce (together with its affiliates, "CIBC") to provide senior

secured credit facilities to finance the AHI Acquisition, certain related costs and for other corporate purposes (the "Debt Financing"). Pursuant to the Commitment Letter, Citigroup and CIBC will provide the Company with up to $1,050,000,000 in the aggregate of loans and other financial accommodations consisting of a senior secured term loan facility in an aggregate principal amount of $850,000,000 (the "Term Facility") and a senior secured revolving credit facility in an aggregate principal amount of up to $200,000,000 (the "Revolving Facility" and together with the Term Facility, the "Senior Secured Facilities"). The Revolving Facility will include a sublimit of up to an aggregate of $150,000,000 in letters of credit and a sublimit of up to an aggregate of $35,000,000 in swing line loans.

The Commitment Letter provides for the following principal terms of the Senior Secured Facilities:

- The full amount of the Term Facility must be drawn in a single drawing on the date on which the AHI Acquisition is consummated and applied, among other things, to consummate the AHI Acquisition, repay or refinance the Company's existing indebtedness under the Existing Credit Agreement, certain other existing indebtedness of the Company and certain existing indebtedness of AHI, and pay certain other transaction-related costs and expenses.

- Amounts repaid under the Term Facility may not be reborrowed.

- The Term Facility will mature on the date that is seven years after the date on which the AHI Acquisition is consummated; provided, however, that in the event requisite shareholder approval is not obtained with respect to the conversion of the Series C Preferred Stock of the Company to be issued in connection with the Equity Investment Financing, then the Term Facility will mature on the date that is six and one-half years after the date on which the AHI Acquisition is consummated.

- The proceeds of loans made under the Revolving Facility will be used by the Company for working capital and other general corporate purposes (including, without limitation, certain permitted acquisitions).

- Loans under the Revolving Facility will be made available on and after the closing of the AHI Acquisition and until the termination date of the Revolving Facility, which is 5 years after the date on which the AHI Acquisition is consummated.

- The obligations of the Company and each of its subsidiaries that act as guarantors (each, a "Guarantor") in respect thereof will be secured by substantially all of the assets and properties of the Company and each Guarantor, including, but not limited to, (i) a first priority perfected pledge of (x) all notes owned by the Company and the Guarantors and (y) all capital stock owned by the Company

and the Guarantors (but (I) not more than 65% of the voting capital stock of their respective directly owned foreign subsidiaries and (II) none of the capital stock of their respective indirectly owned foreign subsidiaries unless such capital stock is owned directly by another domestic Guarantor) and (ii) a first-priority perfected security

interest in all other assets owned by the Company and the Guarantors.

- Loans under the Senior Secured Facilities will bear interest, at the option of the Borrower, at one of the following rates:
  - the Applicable Margin (as defined in the Commitment Letter) plus the Base Rate (as defined in the Commitment Letter), payable quarterly in arrears; or
  - the Applicable Margin plus the current LIBOR rate as quoted by Citigroup, adjusted for reserve requirements, if any, and subject to customary change of circumstance provisions for interest periods of one, two, three or six months (or, if available to all lenders, nine or twelve months, payable at the end of the relevant interest period, but in any event at least quarterly.

The commitments contained in the Commitment Letter are subject to usual and customary conditions and there can be no guarantee that the Company will consummate the Senior Secured Facilities or that if it does they will be on the same terms as set forth above.

A copy of the Commitment Letter is attached to this report as Exhibit 10.5 and is incorporated herein by reference as though fully set forth herein. The foregoing summary description of the Commitment Letter and the transactions contemplated thereby is not intended to be complete and is qualified in its entirety by the complete text of the Commitment Letter.

Item 2.03 Creation of a Direct Financial Obligation under an Off-Balance Sheet Arrangement of Registrant

The information provided under the headings "Agreement to Acquire American Household, Inc.", "Equity Investment Financing" and "Debt Financing" in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities

As described in Item 1.01 of this Current Report on Form 8-K, on September 19, 2004 the Company agreed to issue (i) 128,571 shares of its Series B Preferred Stock; (ii) 200,000 shares of its Series C Preferred Stock; and (iii) 714,286 shares of its Common Stock to Warburg Pincus. The Securities are intended to be issued pursuant to an exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended and/or Regulation D promulgated under the Securities Act of 1933. The purchaser of the Securities has represented to the Company that such entity is an accredited investor as defined in Rule 501(a) of the Securities Act of 1933 and that the Securities are being acquired for investment.

Item 3.03 Material Modifications to Rights of Security Holders

If the Series B Preferred Stock and the Series C Preferred Stock are issued in connection with the Equity Investment Financing, the rights of the holders of Common Stock will be limited by such issuances. Each of the Series B Preferred Stock and Series C Preferred Stock will, with respect to payment of dividends, redemption payments, rights upon liquidation, dissolution or winding up of the affairs of the Company, rank senior and prior to the Common Stock. If the Company, among other things, fails to pay dividends to the Series B Holders or Series C Holders in accordance with the Series B Certificate of Designations or Series C Certificate of Designations, respectively, then the Company will not be permitted to make any dividend payments or other distributions to holders of junior securities, including the Common Stock.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits. The following Exhibits are filed herewith as part of this report:

Exhibit	Description
10.1	Securities Purchase Agreement, dated as of September 19, 2004, by and among American Household, Inc., Jarden Corporation, Morgan Stanley Senior Funding, Inc., Wachovia Bank National Association, Banc of America Strategic Solutions, Inc., Jerry W. Levin, 1st Trust & Co. FBO, Jerry W. Levin, Rollover, 1st Trust & Co. FBO, Jerry W. Levin, IRA SEP and Abby L. Levin Trust.

Exhibit Description

10.2	Purchase Agreement, dated as of September 19, 2004, between Jarden Corporation and Warburg Pincus Private Equity VIII, L.P.
10.3	Form of Certificate of Designations, Preferences and Rights of Series B Convertible Participating Preferred Stock of Jarden Corporation.
10.4	Form of Certificate of Designations, Preferences and Rights of Series C Mandatory Convertible Participating Preferred Stock of Jarden Corporation.
10.5	Commitment Letter from Citicorp USA, Inc. and Canadian Imperial Bank of Commerce to Jarden Corporation, dated September 19, 2004.
99.1	Press release, dated September 20, 2004, of Jarden Corporation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: September 23, 2004

JARDEN CORPORATION

By: /s/ Desiree DeStefano
Name: Desiree DeStefano
Title: Senior Vice President

EXECUTION VERSION

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SECURITIES PURCHASE AGREEMENT

BY AND AMONG

AMERICAN HOUSEHOLD, INC.,

THE SELLERS IDENTIFIED HEREIN

AND

JARDEN CORPORATION

DATED AS OF SEPTEMBER 19, 2004

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TABLE OF CONTENTS

		Page
SECTION 1.	DEFINITIONS	1
SECTION 2.	ACQUISITION OF SECURITIES	12
2.1.	Purchase and Sale of Purchased Securities	12
2.2.	Treatment of Options	12
SECTION 3.	PURCHASE PRICE AND PAYMENT	12
3.1.	Purchase Price	13
3.2.	Purchase Price Adjustment	13
3.3.	Reserved Amount	15
3.4.	Withholding Rights	15
3.5.	Stock Options	16
SECTION 4.	REPRESENTATIONS AND WARRANTIES REGARDING SELLERS	16
4.1.	Organization and Good Standing	17
4.2.	Power and Authorization	17
4.3.	No Conflicts	18
4.4.	Ownership of the Purchased Securities	18
4.5.	Litigation	19
4.6.	Brokers	19
SECTION 5.	REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY AND ITS SUBSIDIARIES	19
5.1.	Organization and Good Standing	19
5.2.	Power and Authorization	20
5.3.	Capitalization	20
5.4.	Investments and Subsidiaries	21
5.5.	No Conflicts	22
5.6.	Financial Matters	22
5.7.	Absence of Undisclosed Liabilities	23
5.8.	Real Property	23
5.9.	Personal Property	25
5.10.	Taxes	25
5.11.	Litigation	28
5.12.	Labor Matters	28
5.13.	Intellectual Property Rights	29
5.14.	Contracts and Commitments	30
5.15.	Existing Condition	32
5.16.	Employee Benefit Plans	33

5.17. Compliance with Laws....34
5.18. Environmental....35
5.19. Transactions With Affiliates....36
5.20. Insurance....36
5.21. Product Recall....37
5.22. Absence of Certain Business Practices....37
5.23. Indebtedness....37
5.24. Securityholders' Agreement....38
5.25. Bankruptcy Matters....38
5.26. Industrial Revenue Bond Matters....38
5.27. Brokers....38

SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE BUYER....38

6.1. Incorporation and Good Standing....39
6.2. Power and Authorization....39
6.3. Validity of Contemplated Transactions....39
6.4. Consents....39
6.5. Litigation....40
6.6. Sufficient Funds....40
6.7. Brokers....41

SECTION 7. COVENANTS OF THE PARTIES UNTIL CLOSING....41

7.1. Conduct of Business Pending Closing....41
7.2. Negative Covenants....42
7.3. Access....45
7.4. Consents; Cooperation; Notice....45
7.5. HSR Act....46
7.6. No Solicitation....47
7.7. Interest in Purchased Securities....48
7.8. Estimated Closing Adjustment Amount....48
7.9. Indebtedness....48
7.10. Monthly Financials....49
7.11. Exercise of Rights Under Securityholders' Agreement....49
7.12. Inventory....49
7.13. Indemnity....49
7.14. Retention of Accountant....50
7.15. Financing....51
7.16. Public Statements....51
7.17. Interest in Subsidiaries....52
7.18. Adjusted EBITDA Certificate....52

SECTION 8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS....52

8.1. Representations and Warranties....52

8.2. Performance of Covenants....53
8.3. Approvals....53
8.4. Legal Matters....53
8.5. No Material Adverse Effect....53
8.6. Minimum Share Amount....53
8.7. Adjusted EBITDA Amount....54

SECTION 9. CONDITIONS PRECEDENT TO THE SELLERS' AND THE COMPANY'S OBLIGATIONS....54

9.1. Representations and Warranties....54
9.2. Performance of Covenants....54
9.3. Approvals....54
9.4. Legal Matters....54

SECTION 10. CLOSING....55

10.1. Time and Place of Closing....55
10.2. Deliveries at the Closing by the Sellers....55
10.3. Deliveries at the Closing by the Company....55
10.4. Deliveries at the Closing by the Buyer....56
10.5. Indebtedness Payoff....56

SECTION 11. TERMINATION AND ABANDONMENT....57

11.1. Termination....57
11.2. Procedure for Termination....57

SECTION 12. SURVIVAL AND INDEMNIFICATION....58

12.1. Survival of Representations, Warranties and Covenants and Certain Claims....58
12.2. Indemnity....58

SECTION 13. CERTAIN ADDITIONAL COVENANTS AND AGREEMENTS....59

13.1. Tax Matters....59
13.2. Employee Benefits Matters....60
13.3. Merger Following the Closing....62

13.4. Joinder....63
13.5. Holdback Amount....63

SECTION 14. MISCELLANEOUS....68

14.1. Construction....68
14.2. Further Assurances....68
14.3. Costs and Expenses....69
14.4. Notices....69

14.5. Assignment and Benefit....71
14.6. Amendment, Modification and Waiver....72
14.7. Governing Law; Consent to Jurisdiction....72
14.8. Section Headings and Defined Terms....72
14.9. Severability....72
14.10. Effectiveness; Counterparts....72
14.11. Entire Agreement....73

EXHIBITS:
- ---------

Exhibit A Adjusted EBITDA Amount
Exhibit B Environmental Sites
Exhibit C Form of Joinder Agreement
Exhibit D Knowledge of the Company
Exhibit E Material Divisions
Exhibit F Specified Proceedings
Exhibit G Holdback Amount
Exhibit H Form of Restricted Stock Agreement
Exhibit I Form of Drag-Along Notice
Exhibit J Form of Press Release

DEFINED TERMS

Page

Acquisition Cost....2
Acquisition Transaction....48
Adjusted EBITDA Amount....2
Adjusted EBITDA Certificate....53
Adjusted EBITDA Target Amount....2
Affiliate....2
Aggregate Option Consideration....2
Agreement....1
Antitrust Division....47
Audited Financial Statements....23
Balance Sheet....23
Bank Consents....2
Bankruptcy Court....4
Bankruptcy Plans....2
Board....2
Bonds....2
Bonus Amount....63
Breach Damages....3
Business....3
Business Day....3
Buyer....1
Buyer Closing Documents....40
Buyer Common Stock....3
Buyer Parties....3
Cash....3
Cause....3
Challenge....47
City....3
Closing....56
Closing Adjustment Dispute....14
Closing Date....56
Closing Date Adjustment Amount....3
Code....3
Coleman....3
Coleman Common Stock....3
Coleman Stock Option Plan....3
Company....1
Company Closing Documents....21
Company Common Stock....1
Company Liabilities....3
Company Stock Option Plan....4
Confidentiality Agreement....4

Confirmation Orders....4

Contract....4
Control Transaction Offer....1
Convertible Securities....4
D&O Premium....51
Debtor Subsidiary....2
Defaulted Shares....16
Defaulting Securityholder....16
Disclosure Schedule....20
Domain Names....8
Emergence Date....4
Employee Beneficiaries....61
Employment Taxes....4
Encumbrance....4
Environmental Claim....5
Environmental Damages....5
Environmental Laws....5
Environmental Permits....36
Environmental Reserved Amount....5
Environmental Sites....5
Equity Escrow Agent....5
Equity Escrow Agreement....6
Equity Investment....41
Equity Investment Agreements....6
Equity Purchase Agreement....6
ERISA....6
ERISA Affiliate....33
ERISA Affiliate Plans....34
Estimated Closing Adjustment Amount....49
Excess Environmental Reserves....66
Excess Litigation Reserves....66
Exchange Act....6
Fair Market Value....6
Final Closing Adjustment Amount....15
Financial Statements....23
Financing Commitment Letter....41
Financing Commitments....41
First Alert/Powermate....6
First Alert/Powermate Common Stock....6
First Alert/Powermate Equity Plan....6
First Alert/Powermate Option....6
Foreign Benefit Plan....35
Foreign Subsidiaries....28
FTC....47
GAAP....6
GECC....50
Governmental Entity....6

Hazardous Materials....6
Holdback Amount....14
Holdback Reserve Amount....68
HSR Act....19
Income Taxes....7
Indebtedness....7
Individual Loss....59
Insurance Proceedings....69
Intellectual Property....7
Interim Balance Sheet....23
Interim Financial Statements....23
IRB Lease....8
Joinder Agreement....8
Joining Securityholder....64
July Forecast....8
Knowledge of the Company....8
Law....8
Lease....8
Leased Properties....8
Listed Individuals....62
Litigation Damages....9
Litigation Reserved Amount....9
Loss....9
Losses....9
LTIP Specified Employees....62
Majority Sellers....9
Management Options....17
Material Adverse Effect....9
Material Division....9
Merger....63
Monthly Statements....50
Option....9
Owned Properties....9
Patents....8

Pay-Off Amount.....57
PBGC.....34
Per Share Holdback Amount.....10
Per Share Purchase Price.....10
Permit.....10
Permitted Encumbrances.....24
Person.....10
Plans.....33
Post-Closing Adjustment.....15
Powermate Business.....10
Pre-Closing Company Expenses.....10
Principal Sellers.....10

Pro Rata Share.....11
Proceeding.....10
Properties.....10
Proportionate Interest.....10
Proposed Final Closing Adjustment Amount.....14
Purchase Price.....13
Purchased Securities.....1
Recoveries.....69
Registration Rights Agreement.....11
Remediation.....11
Remediation Standard.....11
Requisite Stockholders.....1
Reserved Amount.....16
Resolving Accountant.....15
Restricted Stock Agreement.....17
Retention Payments.....63
Schedule of Option Payments.....17
Section 5.16(g)(iii) Damages.....68
Securityholders' Agreement.....11
Seller.....11
Seller Closing Documents.....18
Seller Disclosure Schedule.....17
Several Loss.....59
Software.....11
Specified Employees.....62
Specified Proceedings.....11
Stock.....16
Subsidiary.....11
Sunbeam.....11
Sunbeam Common Stock.....11
Sunbeam Stock Option Plan.....11
Surviving Indebtedness.....49
Tax.....12
Tax Return.....12
Taxes.....12
Third-Party Claim.....65
Trademarks.....8
Transfer Taxes.....60
Treasury Regulation.....12
Trust Indenture.....12
Trustee.....45
Unallocated Option Payment.....63
Wholly-Owned Subsidiary.....13

SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT, dated as of September 19, 2004 (this "Agreement"), by and among American Household, Inc., a Delaware corporation (the "Company"), the Sellers (as defined below) and Jarden Corporation, a Delaware corporation (the "Buyer").

RECITALS:

WHEREAS, Sellers, in the aggregate, own of record more than fifty percent (50%) of the outstanding shares of common stock, par value $0.01 per share (the "Company Common Stock"), of the Company;

WHEREAS, pursuant to Section 3.7 of the Securityholders' Agreement, if Selling Stockholders (as defined in the Securityholders' Agreement) owning 50% or more of the outstanding shares of Company Common Stock on a fully diluted basis (the "Requisite Stockholders") receive an offer (a "Control Transaction Offer") from a Third Party (as defined in the Securityholders' Agreement) proposing a Control Transaction (as defined in the Securityholders' Agreement) with respect to the Company, and such Control Transaction Offer is accepted by such Selling Stockholders, then each Securityholder shall, if requested to do so by such Requisite Stockholders, Transfer (as defined in the Securityholders' Agreement) all of its shares of Company Common Stock to such Third Party on the

terms of the Control Transaction Offer so accepted by the Requisite Stockholders, including making the same representations, warranties, covenants, indemnities and agreements that the Requisite Stockholders agree to make (subject to certain limited exceptions);

WHEREAS, the Buyer desires to acquire 100% of the outstanding equity interests of the Company;

WHEREAS, the Sellers desire to sell to the Buyer, and the Buyer desires to purchase from the Sellers, shares of Company Common Stock owned by the Sellers, as set forth opposite the Sellers' respective names on Schedule I attached hereto (the "Purchased Securities"), on the terms and conditions set forth in this Agreement; and

WHEREAS, the Sellers have agreed to deliver a notice under Section 3.7 of the Securityholders' Agreement and to otherwise facilitate as contemplated by Section 3.7 of the Securityholders' Agreement Buyer's acquisition of 100% of the outstanding equity interests of the Company as provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and agreements herein contained, the parties hereto, each intending to be legally bound, hereby agree as follows:

SECTION 1. DEFINITIONS

In addition to the terms defined elsewhere in this Agreement as used in herein, the following terms and phrases shall have the following respective meanings:

"Acquisition Costs" means, with respect to any shares of Company Common Stock, including any Defaulted Shares (as defined below), any amount paid to the holder thereof, pursuant to an appraisal proceeding under Section 262 of the General Corporation Law of the State of Delaware, in excess of the Per Share Purchase Price (as defined below) therefor or in any settlement of such appraisal proceeding consented to by the Buyer and the Majority Sellers (such consent not to be unreasonably withheld or delayed), together with all third-party expenses incurred by (or on behalf of) the Buyer in connection with such appraisal proceeding.

"Adjusted EBITDA Amount"means an amount calculated as set forth on Exhibit A.

"Adjusted EBITDA Target Amount" means the amount identified as such on Exhibit A.

"Affiliate" means, with respect to any Person, each Person that controls, is controlled by or is under common control with such Person. For the purpose of this definition, "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Option Consideration" means the aggregate amount set forth on the Schedule of Option Payments to be delivered by the Principal Sellers pursuant to Section 3.5, which amount shall be equal to the sum of (a) the aggregate amount of consideration payable (whether in cash or restricted Buyer Common Stock) to the holders of all outstanding Options pursuant to Section 3.5 and (b) the Unallocated Option Payment (as defined below).

"Bank Consents"shall have the meaning set forth in the Equity Purchase Agreement.

"Bankruptcy Plans"means the Third Amended Plan of Reorganization of the Company, together with the Third Amended Plan of Reorganization of certain Subsidiaries (each, a "Debtor Subsidiary"), each as confirmed by Bankruptcy Court pursuant to the Confirmation Orders.

"Board" means the Board of Directors of the Company.

"Bonds" means, collectively, those certain Taxable Industrial Revenue Bonds, Series VII, 1993 (The Coleman Company, Inc.), Series XVI, 1994 (The Coleman Company, Inc.), Series XII, 1995 (The Coleman Company, Inc.), Series VIII, 1996 (The Coleman Company, Inc.), Series XVIII, 1997 (The Coleman Company, Inc.), Series XIII, 1998 (The Coleman Company, Inc.), Series XVI, 1999 (The Coleman Company, Inc.), Series VII, 2000 (The Coleman Company, Inc.), Series XVI, 2001 (The Coleman Company, Inc.) and Series IX, 2002 (The Coleman Company, Inc.) issued by the City to the Company or a Subsidiary, in each case issued under the Trust Indentures, together with any and all obligations of the Company or any Subsidiary under any of the foregoing.

"Breach Damages" means all Losses imposed on or incurred by any of the Buyer Parties as a result of or arising from or in connection with any breach existing as of the Closing

Date of (a) any representation or warranty made by the Company in Section 5 or (b) any covenant or agreement of the Company set forth in Section 7.4(a).

"Business" means the businesses of the Company and its Subsidiaries, taken as a whole, as currently conducted, including designing, manufacturing, marketing and distributing branded durable household and leisure outdoor products; it being understood and agreed that the Business does not include the Powermate Business.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in the City of New York are authorized or obligated by Law or executive order to close.

"Buyer Common Stock" means the common stock, par value $0.01 per share, of the Buyer.

"Buyer Parties" means, collectively, the Buyer and its officers, directors, employees, stockholders, subsidiaries, Affiliates (including, without limitation, the Company and the Subsidiaries from and after the Closing), successors and permitted assigns.

"Cash" means the cash and cash equivalents of the Company and any Subsidiary as of the Closing, determined in accordance with GAAP.

"Cause" shall have the meaning set forth in the Restricted Stock Agreement.

"City" means the City of Wichita, Kansas.

"Closing Date Adjustment Amount" means the amount of Pre-Closing Company Expenses (if any).

"Code" means the Internal Revenue Code of 1986, as amended.

"Coleman" means The Coleman Company, Inc., a Wholly Owned Subsidiary of the Company.

"Coleman Common Stock" means shares of common stock, par value $0.01 per share, of Coleman.

"Coleman Stock Option Plan" means The Coleman Company, Inc. Management Equity Plan, effective as of December 18, 2002.

"Company Liabilities" means all Losses imposed on or incurred by any of the Buyer Parties as a result of or arising from or in connection with: (a) any liability of the Company under or in connection with any employee change-in-control payments arising from or in connection with the transactions contemplated hereby (except in the case of an involuntary termination by the Company of any relevant employee's employment with the Company) after the Closing required to be made under the Contracts, but only to the extent in excess of the respective amounts set forth in Section 1.1 of the Disclosure Schedule (as defined below); (b) an amount equal to any upward Post-Closing Adjustment; (c) an amount equal to fifty percent

(50%) of the Acquisition Costs; (d) any Environmental Damages; (e) any Litigation Damages; and (f) any Breach Damages.

"Company Stock Option Plan" means the American Household, Inc. Stock Option Plan, effective as of December 18, 2002.

"Confidentiality Agreement" means that certain confidentiality agreement, dated as of May 10, 2004, between the Company and the Buyer.

"Confirmation Orders" means the written orders, each dated November 27, 2002, pursuant to which the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") confirmed the Bankruptcy Plans of the Company and certain of its Subsidiaries.

"Contract" means any contract, undertaking, agreement, arrangement, commitment, indemnity, indenture, instrument or lease, including any and all amendments, supplements, and modifications thereto, to or under which the Company or any Subsidiary or any of their respective assets is legally bound.

"Convertible Securities" means outstanding options, warrants and other rights to purchase, and any other outstanding securities exercisable for or convertible into, (a) shares of Company Common Stock, (b) shares of Sunbeam Common Stock, (c) shares of Coleman Common Stock and (d) shares of First Alert/Powermate Common Stock.

"Emergence Date" means December 18, 2002, the date upon which the Company and certain of its Subsidiaries substantially consummated the transactions contemplated by their respective Bankruptcy Plans.

"Employment Taxes" means the employer's portion of the employment

Taxes (excluding foreign employment, social and similar Taxes) required to be paid on or before March 31, 2005 by the Buyer, the Company or any Subsidiary to any Governmental Entity as a result of the payment of (a) the Bonus Amount, and (b) fifty percent (50%) of (i) the aggregate amount of consideration payable (whether in cash or restricted Buyer Common Stock) to the holders of outstanding Options pursuant to Section 3.5, and (ii) the Retention Payments.

"Encumbrance" means any mortgage, pledge, security interest, encumbrance, lien, assessment, encroachment, defect in title or charge of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction and including any lien or charge arising by statute or other laws, which secures the payment of a debt (including, without limitation, any Tax) or the performance of an obligation.

"Environmental Claim" means any Proceeding seeking damages or an order, injunction or similar relief against the Company or any of its Subsidiaries by any Person alleging personal injury, property damage or other potential liability, including, without limitation, any cleanup liability, arising out of, based on, or resulting from any actual or threatened (a) release or disposal, or the presence in the environment, of any Hazardous Materials by or attributable to the

Company or any Subsidiary, or any of their respective predecessors, at any location, (b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Laws by or attributable to the Company or any Subsidiary or (c) exposure to any Hazardous Materials attributable to the Company, any Subsidiary or any of their respective predecessors.

"Environmental Damages" means (a) cleanup costs (or other reasonably associated expenses) incurred by the Buyer Parties in connection with the environmental conditions for which the Company or any of its Subsidiaries is responsible at an Environmental Site that existed at the Closing Date and (b) damages, costs, fines, charges, penalties or other regulatory assessments for any non-compliance at an Environmental Site prior to the Closing Date with any Environmental Laws imposed on or incurred by the Buyer Parties as a result of or in connection with any Environmental Claim (including, in the case of clauses (a) and (b) above, settlement costs, court costs and any reasonable legal, expert and consultant fees and expenses incurred in connection with defending any actions, but excluding indirect, punitive, special or exemplary damages and unforeseen or other consequential damages).

"Environmental Laws" means all federal, state, local or foreign laws, statutes, regulations, orders, ordinances, judgments or decrees or common law (a) related to releases or threatened releases of any Hazardous Materials in soil, surface water, groundwater or air, (b) governing the use, treatment, storage, disposal, transport, or handling of Hazardous Materials or (c) related to the protection of the environment, human health or natural resources. Such Environmental Laws shall include, but are not limited to, the Resource Conservation and Recovery Act, and the Comprehensive Environmental Response, Compensation and Liability Act, the Toxic Substances Control Act, the Clean Water Act, the Clean Air Act, the Safe Drinking Water Act, and the Emergency Planning and Community Right-to-Know Act, and their respective state, local or foreign analogs.

"Environmental Reserved Amount" means the aggregate amount reserved on the Interim Balance Sheet (as defined below) with respect to Environmental Damages.

"Environmental Sites" means such Properties of the Company or its Subsidiaries, as are set forth on Exhibit B hereto, and such other properties set forth on Exhibit B.

"Equity Escrow Agent" means the escrow agent under the Equity Escrow Agreement.

"Equity Escrow Agreement" means that certain Escrow Agreement to be entered into by and among the Buyer, Warburg Pincus and the Equity Escrow Agent, in the form of Exhibit 4 to the Equity Purchase Agreement, with such changes thereto as shall be permitted by this Agreement and the Equity Purchase Agreement.

"Equity Investment Agreements" means, collectively, the Equity Purchase Agreement and the Equity Escrow Agreement.

"Equity Purchase Agreement" means that certain Purchase Agreement, dated as of the date hereof, between the Buyer and Warburg Pincus.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or a successor law, and the regulations and rules issued pursuant to that act or to any successor law.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value " shall mean, with respect to the Buyer Common Stock, the average of the closing prices of Buyer Common Stock on the New York Stock Exchange (as reported on the NYSE Composite Tape) during the ten trading days preceding the second trading day prior to the Closing Date.

"First Alert/Powermate Common Stock" means shares of common stock, par value $0.01 per share, of First Alert/Powermate, Inc., a Wholly Owned Subsidiary of the Company ("First Alert/Powermate, Inc.").

"First Alert/Powermate Equity Plan" means the First Alert/Powermate, Inc. Management Equity Plan, effective as of December 18, 2002.

"First Alert/Powermate Option" means an option to purchase shares of First Alert/Powermate Common Stock under the First Alert/Powermate Equity Plan.

"GAAP" means, as of any date, generally accepted accounting principles in the United States as in effect on such date.

"Governmental Entity" means any domestic, international, foreign, national, multinational, territorial, regional, state or local governmental authority, instrumentality, court, commission or tribunal or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing.

"Hazardous Materials" means all substances defined as Hazardous Substances, Oils, Pollutants or Contaminants in the Natural Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. (ss). 300.5, or defined as such by, or regulated as such under, any Environmental Law, and shall include silica, asbestos, polychlorinated biphenyls, and urea formaldehyde.

"Income Tax" or "Income Taxes" means (a) any federal, state, local or foreign Tax based upon, measured by, or calculated with respect to income or profits (including any capital gains Tax or franchise Tax), minimum Tax, alternative minimum Tax, or any Tax on items of Tax preference, but, for the avoidance of doubt, not including any sales, use, real or personal property, gross receipts or transfer Taxes, (b) any interest or penalties, additions to tax or additional amounts imposed by any Governmental Entity in connection with (i) any item described in the foregoing clause (a), or (ii) the failure to comply with any requirement imposed with respect to any Income Tax Return, and (c) any obligation with respect to Taxes described in the foregoing clause (a) and/or (b) payable by reason of being a successor or indemnitor or by reason of contract, assumption, transferee liability, operation of Law, Treasury Regulation (ss).1.1502-6 (or any predecessor or successor thereof or any analogous or similar provision under Law) or otherwise. For the avoidance of doubt, if a Tax is imposed on one of multiple bases,

including Taxes described in the preceding clause (a), and the Tax is in fact imposed on the bases described in clause (a), such Tax shall be considered as Income Tax.

"Income Tax Return" means any Tax Return filed with or submitted to, or required to be filed with or submitted to, any Governmental Entity in connection with the determination, assessment, collection or payment of any Income Tax.

"Indebtedness" means, with respect to the Company and any Subsidiary, net of Cash, as of the time immediately prior to the Closing, without duplication: (a) any liability for borrowed money, or evidenced by an instrument for the payment of money, or incurred as purchase money indebtedness, or relating to a capitalized lease obligation, other than accounts payable or any other indebtedness to trade creditors created or assumed by the Company or any Subsidiary in the ordinary course of business in connection with the obtaining of materials or services; (b) obligations under exchange rate contracts or interest rate protection agreements; (c) any obligations to reimburse the issuer of any letter of credit, surety bond, performance bond or other guarantee of contractual performance (including, without limitation, any guarantee of payment of accounts receivables in connection with any factoring arrangement), in each case, only to the extent drawn or otherwise not contingent; (d) any payments, fines, fees, penalties or other amounts applicable to or otherwise incurred in connection with or as a result of any prepayment or early satisfaction of any obligation described in clauses (a) through (c) above to the extent actually paid at or prior to the Closing in connection with the repayment of Indebtedness at the Closing pursuant to Section 10.5 hereof; and (e) all outstanding checks; provided, however, that, notwithstanding any provision of this Agreement, Indebtedness shall not include (i) any intercompany indebtedness, obligations or guarantees between the Company and any of its Wholly Owned Subsidiaries or between any Wholly Owned Subsidiaries; or (ii) any indebtedness obligations or guarantees incurred at the request of the Buyer to finance the transactions contemplated by this Agreement.

"Intellectual Property" means all of the following used by the Company and its Subsidiaries in the operations of the Business: (a) United States and

foreign trademarks, service marks, and trademark and service mark registrations and applications, trade names, logos, trade dress and slogans, and all goodwill related to the foregoing (collectively, "Trademarks"); (b) patent applications, patents, inventions, improvements, know-how, formula methodology, research and development, business methods, processes, technology and Software in any jurisdiction, including re-issues, continuations, divisions, continuations-in-part, renewals or extensions (collectively, the "Patents"); (c) trade secrets; (d) copyrights in writings, designs, Software, mask works or other works, applications or registrations in any jurisdiction for the foregoing, other original works of authorship and all moral rights related thereto; (e) database rights; and (f) Internet web sites, web pages, domain names and applications and registrations pertaining thereto (the "Domain Names") and all intellectual property used in connection with or contained in the Company's or any Subsidiary's web sites (for the avoidance of doubt, the foregoing does not include (i) third-party websites linked to or from the websites of the Company and its Subsidiaries or (ii) any off-the-shelf or "shrink-wrap" licensed software).

"IRB Leases" means, collectively, (a) the Lease, dated as of December 1, 1993, (b) the First Supplemental Lease, dated as of December 1, 1994, (c) the Second Supplemental Lease, dated as of December 1, 1995, (d) the Third Supplemental Lease, dated as of December 1,

1996, (e) the Fourth Supplemental Lease, dated as of December 1, 1997, (f) the Fifth Supplemental Lease, dated as of December 1, 1998, (g) the Sixth Supplemental Lease, dated as of December 1, 1999, (h) the Seventh Supplemental Lease, dated as of December 1, 2000, (i) the Eighth Supplemental Lease, dated as of December 1, 2001, and (j) the Ninth Supplemental Lease, dated as of December 1, 2002, in each case by and between the City and Coleman and as supplemented, amended and in effect from time to time.

"Joinder Agreement" means a counterpart to this Agreement joining the Person or Persons executing and delivering such counterpart as a Seller hereunder, substantially in the form of Exhibit C.

"July Forecast" means, in the form previously provided by the Company to the Buyer, the Company's forecast of its financial results for the fiscal year ending December 31, 2004, based on, among other things, the actual financial results of the Company for the six month period ended on June 30, 2004.

"Knowledge of the Company" means the actual knowledge, without any duty of inquiry, of any of the individuals set forth on Exhibit D.

"Law" means any law, statute, ordinance, regulation, judgment, order, award or other decision or requirement of any arbitrator, court, government or governmental agency or instrumentality (domestic or foreign).

"Lease" means any lease, sublease or occupancy agreement, in each case together with any amendments or supplements thereto, through which the Company or any Subsidiary has rights in or to any Leased Property.

"Leased Properties" means any real property that is leased by the Company or any Subsidiary.

"Litigation Damages" means all Losses imposed on or incurred by the Buyer Parties as a result of or in connection with any Specified Proceeding in excess of the Litigation Reserved Amount with respect to such Specified Proceeding.

"Litigation Reserved Amount" means the aggregate amount reserved on the Interim Balance Sheet with respect to Litigation Damages.

"Loss" or "Losses" means all damages, losses, liabilities, obligations, fines, penalties, costs and expenses (including settlement costs, court costs and any reasonable legal, expert and consultant fees and expenses incurred in connection with defending any actions but excluding indirect, punitive, special or exemplary damages and unforeseen or other consequential damages), net of any Tax benefits of the Buyer, the Company or its Subsidiaries actually realized by the Buyer Parties (after first taking into account the utilization of the Tax benefits, if any, of the Company or its Subsidiaries existing on the Closing Date) in respect of any taxable period that ends on or prior to the fourth anniversary of the Closing Date.

"Majority Sellers" means, in any case, the Principal Sellers holding a majority of the outstanding Purchased Securities acquired by the Buyer as of the Closing Date.

"Material Adverse Effect" means a material adverse effect on the Business, operations, properties or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole; provided, however, that none of the following shall be deemed, individually or in the aggregate, to constitute,

and none of the following shall be taken into account in determining whether there has been or will be, a Material Adverse Effect: (a) this Agreement, the transactions contemplated by this Agreement or the announcement thereof, (b) the Buyer's announcement or other disclosure of its plans or intentions with respect to the conduct of the Business (or any portion thereof), (c) changes or conditions (including changes in economic, financial market, regulatory or political conditions, whether resulting from acts of war or terrorism, an escalation of hostilities or otherwise) affecting the U.S. economy or foreign economies in any locations where the Company or any of its Subsidiaries has material operations or sales, or (d) any event, circumstance, change or effect to the extent predominantly arising from any action taken by the Buyer or any of its directors or officers.

"Material Divisions" means such divisions of the Company set forth on Exhibit E.

"Option" means an option to purchase shares of Company Common Stock under the Company Stock Option Plan, shares of Sunbeam Common Stock under the Sunbeam Stock Option Plan or shares of Coleman Common Stock under the Coleman Stock Option Plan, in each case, issued and outstanding immediately prior to the Closing.

"Owned Properties" means any real property that is owned by the Company or any Subsidiary.

"Permit" means any material license, permit, registration or government approval which are required in order for the Company or any Subsidiary (as applicable) to conduct the Business as presently conducted.

"Per Share Holdback Amount" means the Holdback Amount (as defined below), divided by the number of issued and outstanding shares of Company Common Stock immediately prior to the Closing.

"Per Share Purchase Price" means (a) the Purchase Price, less the Aggregate Option Consideration (as defined below), less the Bonus Amount (as defined below), divided by (b) the number of issued and outstanding shares of Company Common Stock immediately prior to the Closing.

"Person" means an individual, a partnership (general or limited), a corporation, a limited liability company, an association, a joint stock company, Governmental Entity, a business or other trust, a joint venture, any other business entity or an unincorporated organization.

"Powermate Business" means the Business of Powermate (each, as defined in the Purchase Agreement, dated as of July 22, 2004, by and between the Company and Powermate Holding Corp., a Delaware corporation).

"Pre-Closing Company Expenses" means the aggregate amount of (a) all expenses incurred by the Company or any of its Subsidiaries in connection with the transactions

contemplated hereby but only to the extent paid, incurred or otherwise payable by the Company or any of its Subsidiaries as of the Closing, other than (i) the aggregate Acquisition Costs and (ii) any out-of-pocket expenses incurred by the Company and its Subsidiaries directly relating to the Buyer obtaining the financing to consummate the transactions contemplated hereby, (b) the D & O Premium (as defined below), (c) all expenses incurred by the Buyer to enforce Sellers' obligations contained in Section 7.6 and (d) an amount equal to the Employment Taxes.

"Principal Sellers" means, collectively, Morgan Stanley Senior Funding, Inc., Wachovia Bank National Association, Banc of America Strategic Solutions, Inc. and Jerry W. Levin.

"Proceeding" means any action, suit, proceeding, arbitration, claim, complaint, decree or lawsuit before or involving any Governmental Entity.

"Properties" means the Leased Properties and the Owned Properties, collectively.

"Proportionate Interest" means with respect to any Seller, the number of Purchased Securities held by such Seller and sold to the Buyer pursuant to this Agreement, as set forth opposite such Seller's name on Schedule I hereto, divided by the total number of shares of Company Common Stock issued and outstanding immediately prior to the Closing.

"Pro Rata Share" means, with respect to any Seller, an amount equal to the Per Share Purchase Price less the Per Share Holdback Amount, multiplied by the number of shares of Company Common Stock held by such Seller and sold to the Buyer pursuant to this Agreement, as set forth on Schedule I hereto.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of December 18, 2002, as amended from time to time, by and among the Company and the holders of Registrable Common Stock (as defined therein) who are parties thereto or bound thereby.

"Remediation" means any investigative, response, removal, remedial, treatment, cleanup, disposal, monitoring and other corrective actions.

"Remediation Standard" means a numerical standard that defines the concentrations of Hazardous Materials that may be permitted to remain in any environmental media after an investigation, remediation or containment of a release of Hazardous Materials.

"Securityholders' Agreement" means that certain Securityholders' Agreement, dated as of the Emergence Date, among the Company, the Principal Sellers and the other Securityholders named therein or bound thereby.

"Seller" means any Person set forth on Schedule I attached hereto, including any such Person added thereto pursuant to Section 13.3 or 13.4.

"Software"means any and all (a) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code form material to the operations of the Business, (b) material databases, whether

machine readable or otherwise, and (c) all documentation, including technical, end-user, training and troubleshooting manuals and materials, relating to any of the foregoing.

"Specified Proceedings" mean such Proceedings of the Company or its Subsidiaries as are set forth on Exhibit F.

"Subsidiary" means any Person (other than an individual) with respect to which the Company (directly or indirectly, through any Subsidiary) has the power to vote or direct the voting of sufficient securities or other interests to elect a majority of the directors (or Persons in similar positions) thereof.

"Sunbeam" means Sunbeam Products, Inc., a Wholly Owned Subsidiary of the Company.

"Sunbeam Common Stock" means shares of common stock, par value $0.01 per share, of Sunbeam.

"Sunbeam Stock Option Plan" means Sunbeam's Management Equity Plan, effective as of December 18, 2002.

"Tax" or "Taxes" means (a) any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind whatsoever imposed by any Governmental Entity (including, without limitation, taxes or other charges on or with respect to income, minimum, alternative minimum tax, franchises, windfall or other profits, gross receipts, excess distributions, impositions, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation, or net worth; withholding, ad valorem, stamp, transfer, mortgage recording, value added, or gains taxes; license, registration and documentation fees; and customs' duties, tariffs, and similar charges), (b) any interest or penalties, additions to tax or additional amounts imposed by any Governmental Entity in connection with (i) any item described in the foregoing clause (a), or (ii) the failure to comply with any requirement imposed with respect to any Tax Return, and (c) any obligation with respect to Taxes described in the foregoing clause (a) and/or (b) payable by reason of being a successor or indemnitor or by reason of contract, assumption, transferee liability, operation of Law, Treasury Regulation (ss). 1.1502-6 (or any predecessor or successor thereof or any analogous or similar provision under Law) or otherwise.

"Tax Return" means any return, report, declaration, statement, extension, form or other documents or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Entity in connection with the determination, assessment, collection or payment of any Tax.

"Treasury Regulation" means the regulations promulgated under the Code by the United States Department of Treasury.

"Trust Indentures" means, collectively, (a) the Trust Indenture, dated as of December 1, 1993, between the City, as issuer, and Boatmen's National Bank (f/k/a Bank IV, N. A. and Bank IV Kansas, National Association), as trustee, (b) the First Supplemental Trust Indenture, dated as of December 1, 1994, between the City, as issuer, and Boatmen's National

Bank (f/k/a Bank IV, N. A. and Bank IV Kansas, National Association), as trustee, (c) the Second Supplemental Trust Indenture, dated as of December 1, 1995, between the City, as issuer, and Boatmen's National Bank (f/k/a Bank IV, N. A. and Bank IV Kansas, National Association), as trustee, (d) the Third Supplemental Trust Indenture, dated as of December 1, 1996, between the City, as issuer, and Boatmen's National Bank (f/k/a Bank IV, N. A. and Bank IV Kansas,

National Association), as trustee, (e) the Fourth Supplemental Trust Indenture, dated as of December 1, 1997, between the City, as issuer, and The Bank of New York, as trustee, (f) the Fifth Supplemental Trust Indenture, dated as of December 1, 1998, between the City, as issuer, and BNY Trust Company of Missouri, as trustee, (g) the Sixth Supplemental Trust Indenture, dated as of December 1, 1999, between the City, as issuer, and BNY Trust Company of Missouri, as trustee, (h) the Seventh Supplemental Trust Indenture, dated as of December 1, 2000, between the City, as issuer, and BNY Trust Company of Missouri, as trustee, (i) the Eighth Supplemental Trust Indenture, dated as of December 1, 2001, between the City, as issuer, and BNY Trust Company of Missouri, as trustee, and (j) the Ninth Supplemental Trust Indenture, dated as of December 1, 2002, between the City, as issuer, and BNY Trust Company of Missouri, as trustee, in each case as supplemented, amended and in effect from time to time.

"Warburg Pincus" means Warburg Pincus Private Equity VIII, L.P.

"Wholly Owned Subsidiary" means any Subsidiary, all of the outstanding capital stock or other equity interests of which (other than any directors' qualifying shares, shares held by nominee holders and similar requirements of applicable Law) is owned by the Company and/or one or more Wholly Owned Subsidiaries.

SECTION 2. ACQUISITION OF SECURITIES

2.1. Purchase and Sale of Purchased Securities.

Upon the terms and subject to the conditions of, and on the basis of and in reliance upon the covenants, agreements and representations and warranties set forth in, this Agreement, at the Closing, each Seller, with respect to itself and not any other Seller, individually and not jointly, shall sell, transfer, convey, assign, and deliver to the Buyer, and the Buyer shall purchase and acquire from each Seller, free and clear of all Encumbrances, all of the Purchased Securities set forth opposite such Seller's name on Schedule I attached hereto for an aggregate amount in cash equal to the product of the Per Share Purchase Price, multiplied by the number of Purchased Securities set forth opposite such Seller's name on Schedule I attached hereto.

2.2. Treatment of Options.

At the Closing, the Company shall cause each then outstanding Option, whether or not then vested or exercisable, to be cancelled and, in consideration thereof, each holder of an Option shall be entitled to receive consideration in accordance with Section 3.5.

SECTION 3. PURCHASE PRICE AND PAYMENT

3.1. Purchase Price.

(a) The aggregate purchase price (the "Purchase Price") to be paid by the Buyer for the Purchased Securities shall be an amount equal to Seven Hundred Forty Five Million Six Hundred Thousand Dollars ($745,600,000), as adjusted by the Closing Date Adjustment Amount, which Purchase Price shall be paid in cash or reserved by the Buyer at the Closing in accordance with Section 3.1(b).

(b) Without limiting the provisions of Section 3.2, at the Closing, the Purchase Price shall be paid, and shall be subject to adjustment, as follows:

(i) the Buyer shall pay to the Sellers an aggregate amount equal to $745,600,000, less the sum of (i) the Estimated Closing Date Adjustment Amount, (ii) the Holdback Amount, (iii) the Reserved Amount (as defined below), (iv) the Aggregate Option Consideration and (v) the Bonus Amount, which shall be paid by the Company at the Closing to such employees of the Company and its Subsidiaries, in such amounts, as is set forth in Section 13.2(g), by wire transfer of immediately available funds at the Closing to accounts respectively designated in writing by the Sellers (or by check, to any Seller who fails to specify wire transfer instructions to its account), with each Seller receiving an amount at Closing equal to the Per Share Purchase Price, less the Per Share Holdback Amount, multiplied by the number of shares of Company Common Stock set forth opposite such Seller's name on Schedule I attached hereto;

(ii) an amount (the "Holdback Amount") equal to the amount set forth on Exhibit G shall be retained by the Buyer from the Purchase Price to satisfy any claims by the Buyer Parties pursuant to Section 13.5, and shall be administered and distributed, as set forth in and subject to the conditions of Section 13.5;

(iii) an amount equal to the Aggregate Option Consideration shall be paid to Option holders pursuant to Section 3.5 and to employees of the Company and its Subsidiaries pursuant to Section 13.2(g); and

(iv) an amount equal to the Bonus Amount shall be paid to employees of the Company and its Subsidiaries pursuant to Section 13.2(g).

3.2. Purchase Price Adjustment.

(a) Not more than sixty (60) days after the Closing Date (as defined below), the Buyer may (but shall not be obligated to) prepare from the books and records of the Company and deliver to the Principal Sellers a written statement setting forth in reasonable detail the Buyer's calculation of the actual Closing Date Adjustment Amount (the "Proposed Final Closing Adjustment Amount"). If the Buyer fails to timely deliver such statement to the Principal Sellers for any reason, the Estimated Closing Adjustment Amount shall be deemed to be the Final Closing Adjustment Amount (as defined below) for all purposes under this Agreement, and shall be conclusive, final and binding upon the Buyer and the Sellers and shall not be subject to any challenge or appeal by any such parties.

(b) The Majority Sellers shall notify the Buyer in writing of the Majority Sellers' disagreement (if any) with the amount of the Proposed Final Closing Adjustment Amount within forty five (45) days after the Principal Sellers' receipt of the statement described in Section 3.2(a). During such period, the Majority Sellers and their accountants and other representatives shall have reasonable access (upon reasonable prior notice) to the books, records, appropriate personnel, schedules, work papers and other documents of the Company reasonably necessary to review the statement described in Section 3.2(a) and the calculation of the Proposed Final Closing Adjustment Amount and the Buyer shall, and shall cause the Company and its Subsidiaries (and their respective appropriate employees), to reasonably cooperate with the Majority Sellers and their representatives in connection with such review. If the Majority Sellers fail to timely deliver such notice to the Buyer for any reason, the Proposed Final Closing Adjustment Amount, as reflected in such statement, shall be deemed to be the Final Closing Adjustment Amount for all purposes under this Agreement, and shall be conclusive, final and binding upon the Buyer and the Sellers and shall not be subject to any challenge or appeal by any such parties. If the Majority Sellers timely give the Buyer notice of their disagreement (a "Closing Adjustment Dispute") with the amount of the Proposed Final Closing Adjustment Amount reflected in such statement, the Buyer and such Majority Sellers shall negotiate in good faith to resolve such Closing Adjustment Dispute. In the event that the Buyer and such Majority Sellers resolve such Closing Adjustment Dispute and agree upon the amount of the Final Closing Adjustment Amount, such agreed Final Closing Adjustment Amount shall be deemed to be the Final Closing Adjustment Amount for all purposes under this Agreement, and shall be conclusive, final and binding upon the Buyer and the Sellers and shall not be subject to any challenge or appeal by any such parties. In the event that such Closing Adjustment Dispute is not resolved within twenty (20) Business Days after the Buyer's receipt of such Majority Sellers notice of such Closing Adjustment Dispute, then such Majority Sellers and the Buyer shall promptly submit such Closing Adjustment Dispute for resolution to the New York office of an independent registered public accounting firm of recognized national standing, mutually acceptable to such Majority Sellers and the Buyer (the "Resolving Accountant"), for review and resolution of any and all unresolved matters that are the subject of such Closing Adjustment Dispute.

(c) Unless otherwise expressly agreed by the Buyer and such Majority Sellers, the Resolving Accountant shall render its decision as to the Closing Adjustment Dispute within thirty (30) days after it is referred to the Resolving Accountant. The Resolving Accountant's function shall be to resolve only such unresolved matters that are the subject of the Closing Adjustment Dispute in accordance with the terms and provisions of this Agreement. The decision of the Resolving Accountant shall be conclusive, final and binding upon the Buyer and the Sellers and shall not be subject to any challenge or appeal by any such parties; provided, however, that in no event shall any decision of the Resolving Accountant require (i) the Buyer to be responsible for the payment to the Sellers of any amount in excess of the amount of the Final Closing Adjustment proposed by the Majority Sellers and submitted to the Resolving Accountant pursuant to such Closing Adjustment Dispute or (ii) the Sellers to be responsible for the payment to the Buyer of any amount in excess of the amount of the Final Closing Adjustment proposed by the Buyer and submitted to the Resolving Accountant pursuant to such Closing Adjustment Dispute. The fees of the Resolving Accountant shall be shared equally among the Buyer, on one hand, and such Majority Sellers, on the other hand (it being understood that if any such fees are

not timely so paid by such Majority Sellers, the Buyer may pay any such fees and collect the amount of such payment from the Holdback Amount).

(d) If the actual amount of the Closing Date Adjustment Amount, as finally determined in accordance with this Section 3.2 (the "Final Closing Adjustment Amount"), (i) is less than the Estimated Closing Adjustment Amount by an amount in excess of One Hundred Thousand Dollars ($100,000), the Purchase Price shall be adjusted upward by an amount equal to the entire amount of such deficiency, or (ii) is greater than the Estimated Closing Adjustment Amount by an amount in excess of One Hundred Thousand Dollars ($100,000), the Purchase Price shall be adjusted downward by an amount equal to the entire amount of such

excess. For the purposes of this Agreement, "Post-Closing Adjustment" shall mean any upward adjustment to the Purchase Price in respect of any decrease of the Final Closing Adjustment Amount, or any downward adjustment to the Purchase Price in respect of any increase of the Final Closing Adjustment Amount, in either case pursuant to the provisions of this Section 3.2.

(e) Subject to any applicable limitations set forth in Section 12, in the event of: (i) a downward Post-Closing Adjustment, within five (5) Business Days after the final determination thereof in accordance with this Section 3.2, the Buyer shall pay to the Sellers (in accordance with their respective Percentage Interests on the date of such payment) by wire transfer of immediately available funds to accounts respectively designated in writing by the Sellers (or by check, to any Seller who fails to specify wire transfer instructions to its account), an amount equal to such downward Post-Closing Adjustment, or (ii) an upward Post-Closing Adjustment, at any time after the final determination thereof in accordance with this Section 3.2, the Buyer may collect an amount equal to such upward Post-Closing Adjustment from the Holdback Amount.

3.3. Reserved Amount.

In the event that any Securityholder (each, a "Defaulting Securityholder") fails for any reason to deliver its shares (the "Defaulted Shares") of Company Common Stock at the Closing, the Buyer shall have the right to retain from the Purchase Price an amount (the "Reserved Amount") equal to the amount of the Per Share Purchase Price, multiplied by the number of such Defaulted Shares. The Reserved Amount shall be retained by, and available to, the Buyer for the purpose of acquiring such Defaulted Shares from and after the Closing Date pursuant to Section 13.3 or Section 13.4. Promptly after the consummation of the purchase by the Buyer of any outstanding Defaulted Shares, the Reserved Amount with respect to such Defaulted Shares shall be paid by the Buyer to such Defaulting Securityholder by wire transfer of immediately available funds to accounts respectively designated in writing by the Defaulting Securityholders (or by check, to any Defaulting Securityholder who fails to specify wire transfer instructions to its account). For the avoidance of doubt, no interest shall be paid or payable to the Sellers or any other Person in respect of the Reserved Amount.

3.4. Withholding Rights.

The Buyer, the Company and its Subsidiaries shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement such Taxes as it is required to deduct and withhold with respect to the making of such payment under all applicable

Law, provided that (i) the Buyer and the Company shall deliver to the Principal Sellers, no later than two (2) Business Days prior to the Closing Date, a schedule of all amounts so required to be withheld and (ii) the Buyer, the Company and its Subsidiaries shall pay all such Taxes withheld to the appropriate Governmental Entity promptly after such amount being withheld (but in no event later than when such payment is due). To the extent that Taxes are so withheld by the Buyer, the Company or any Subsidiary such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person who would have received such payment in accordance with the terms hereof if no amount had been withheld.

3.5. Stock Options.

(a) At the Closing, each Option (other than the Management Options, which shall be treated in accordance with Section 3.5(b)) representing the right to acquire shares of Company Common Stock, Coleman Common Stock or Sunbeam Common Stock (collectively, "Stock") which is outstanding immediately prior to the Closing under the Company Stock Option Plan, the Coleman Stock Option Plan or the Sunbeam Stock Option Plan (whether or not then vested or exercisable) shall be cancelled at the Closing in exchange for a payment at the Closing in cash to the holder of such Option in such amount as is set forth opposite such holder's name (in a column designating the amount of such cash payment) on a schedule, to be delivered by the Principal Sellers to the Buyer two (2) Business Days prior to the Closing Date (the "Schedule of Option Payments") which amount shall be calculated in accordance with Section 3.5(a) of the Disclosure Schedule.

(b) At the Closing, fifty percent (50%) of the Options held by each individual listed in Section 3.5(b) of the Disclosure Schedule (such fifty percent (50%) of such Options, the "Management Options") shall be converted into such number of restricted shares of Buyer Common Stock as is equal to the quotient obtained by dividing (i) the aggregate value of such Management Options held by such individual as set forth opposite such individual's name (in a column designating the amount of such value to be paid in restricted Buyer Common Stock) on the Schedule of Option Payments, by (ii) the Fair Market Value of the Buyer Common Stock; provided, that such shares of restricted Buyer Common Stock shall be subject to the terms of the Buyer's 2003 Stock Incentive Plan and a Restricted Stock Agreement substantially in the form attached hereto as Exhibit H (the "Restricted Stock Agreement").

SECTION 4. REPRESENTATIONS AND WARRANTIES REGARDING SELLERS

Simultaneously with the execution of this Agreement by any particular Seller, such Seller shall (as applicable) deliver to the Buyer a disclosure schedule (each, a "Seller Disclosure Schedule") with numbered sections corresponding to the relevant sections in this Agreement. Each exception set forth in a Seller Disclosure Schedule and each other response to this Agreement set forth in such Seller Disclosure Schedule shall be identified by reference to, or shall be grouped under a heading referring to, a specific individual section of this Agreement. Any disclosure made in a Seller Disclosure Schedule that is identified by reference to, or grouped under a heading referring to, a specific section of this Agreement shall be deemed disclosed in such Seller Disclosure Schedule and applicable to any other section of such Seller Disclosure Schedule only to the extent that such disclosure is reasonably apparent from its face to be applicable to such other section of such Seller Disclosure Schedule. The inclusion of any

information in any Seller Disclosure Schedule shall not be deemed an admission or acknowledgement, in and of itself or solely by virtue of the inclusion of such information in such Seller Disclosure Schedule, that such information is required to be set forth therein or that such information is material to the Company or its Subsidiaries, the Sellers or the Business. Capitalized terms used and not otherwise defined in any Seller Disclosure Schedule shall have the respective meanings ascribed to them in this Agreement. As a material inducement to the Buyer to enter into and perform its obligations under this Agreement each Seller, except as specifically set forth in its Seller Disclosure Schedule, with respect to itself and not any other Seller, individually and not jointly, hereby represents and warrants to the Buyer (solely to the extent that any of the following representations and warranties are applicable to such Seller) as follows:

4.1. Organization and Good Standing.

Such Seller, if not an individual, is a Person duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization (as applicable).

4.2. Power and Authorization.

(a) Such Seller, if not an individual, has all requisite corporate or organizational (as applicable) and other power and authority to enter into and perform its obligations under this Agreement and under the other agreements and documents (collectively, the "Seller Closing Documents") required to be delivered by it at the Closing that are set forth in Section 10.2. The execution, delivery and performance by such Seller of this Agreement and the Seller Closing Documents have been duly authorized by all necessary corporate or other action on the part of such Seller. This Agreement has been duly executed and delivered by such Seller and constitutes the valid and binding obligation of such Seller, enforceable against it in accordance with its terms, and, when executed and delivered as contemplated herein, each of the Seller Closing Documents shall constitute the valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, in each case subject to applicable bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally, general equitable principles, the discretion of courts in granting equitable remedies and matters of public policy.

(b) Such Seller, if an individual, is at least of legal majority and capacity, and has all requisite power and authority, to enter into and perform such Seller's obligations under this Agreement and under the Seller Closing Documents required to be delivered by such Seller at the Closing that are set forth in Section 10.2. This Agreement has been duly and validly executed and delivered by such Seller and constitutes the valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms and, when executed and delivered as contemplated herein, each of the Seller Closing Documents shall constitute the valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, in each case subject to applicable bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally, general equitable principles, the discretion of courts in granting equitable remedies and matters of public policy.

4.3. No Conflicts.

(a) The execution, delivery and performance of this Agreement and the Seller Closing Documents to which such Seller is a party do not and will not (with or without the passage of time or the giving of notice): (i) violate or conflict with (as applicable) the articles or certificate of incorporation, bylaws, articles or certificate of formation or organization, limited liability company or operating agreement, partnership agreement or other organizational document of such Seller if such Seller is not an individual, in each case, as

currently in effect; (ii) violate or conflict with any Law binding upon such Seller or violate or result in a breach of, or constitute a default under, any material agreement to which such Seller is a party or by which the Seller or any of its assets are otherwise bound, except, in each case, for such violations, conflicts, breaches or defaults as would not reasonably be expected to result in a material adverse effect upon the ability of such Seller to enter into or perform its obligations under this Agreement or any Seller Closing Document to which such Seller is a party; or (iii) result in, or require the creation or imposition of any Encumbrance upon or with respect to any of the Purchased Securities held by such Seller. Except for filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") and applicable requirements of antitrust or other competition laws of other jurisdictions, no consent, authorization, waiver by or filing with any Governmental Entity, administrative body or other third party is required in connection with the execution, delivery or performance of this Agreement by such Seller or the consummation by the Seller of the transactions contemplated hereby, except for such consents, authorizations, waivers or filings as to which the failure to obtain would not reasonably be expected to result in a material adverse effect upon the ability of such Seller to enter into or perform its obligations under this Agreement or any Seller Closing Document to which such Seller is a party.

(b) There are no Proceedings pending against such Seller or, to the knowledge of such Seller, pending against the Company or threatened against such Seller or the Company that challenge the validity of this Agreement or the transactions contemplated hereby or which, if adversely determined, would reasonably be expected to result in a material adverse effect upon the ability of the Seller to enter into or perform its obligations under this Agreement or any Seller Closing Documents to which such Seller is a party.

4.4. Ownership of the Purchased Securities.

Subject to the terms of the Securityholders' Agreement, such Seller owns all right, title and interest, and has good and valid title, in and to all of the Purchased Securities set forth opposite its name on Schedule I attached hereto, beneficially and of record, free and clear of any Encumbrance (except for restrictions imposed generally by applicable securities laws). Except for the Securityholders' Agreement and the Registration Rights Agreement, there are no shareholder or other agreements affecting the right of such Seller to convey such Purchased Securities (or rights therein) to the Buyer as contemplated hereby, and such Seller has the right, authority, power and capacity to sell, transfer, convey, assign and deliver the Purchased Securities to the Buyer as contemplated hereby, free and clear of any Encumbrance (except for restrictions imposed generally by applicable securities laws). Upon delivery to the Buyer of the certificate or other instruments representing all of the Purchased Securities set forth opposite such Seller's name on Schedule I attached hereto and the payment by Buyer of the consideration therefor as provided in this Agreement, the Buyer will acquire good and valid title in and to such

Purchased Securities, free and clear of any Encumbrance (except for applicable securities laws restrictions).

4.5. Litigation.

There are no Proceedings that have been commenced or, to the knowledge of such Seller, threatened in writing against such Seller that challenge the validity of this Agreement or the transactions contemplated hereby or that may have the effect of preventing, delaying or impairing, or making illegal the transactions contemplated, or materially affecting such Seller's ability to perform its obligations, hereunder or under the Seller Closing Documents to which such Seller is a party or to consummate the transactions contemplated hereby or thereby.

4.6. Brokers.

No Person acting on behalf of such Seller or any of its Affiliates or under the authority of such Seller or Affiliate is or will be entitled to any brokers' or finders' fee or any other commission or similar fee with respect to which the Buyer, the Company or any Subsidiary will be liable in connection with any of the transactions contemplated by this Agreement.

SECTION 5. REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY AND ITS SUBSIDIARIES

Simultaneously with the execution of this Agreement, the Company shall deliver to the Buyer a Disclosure Schedule with numbered sections corresponding to the relevant sections in this Agreement (the "Disclosure Schedule"). Each exception set forth in the Disclosure Schedule and each other response to this Agreement set forth in the Disclosure Schedule shall be identified by reference to, or shall be grouped under a heading referring to, a specific section of this Agreement. Any disclosure made in the Disclosure Schedule that is identified by reference to, or grouped under a heading referring to, a specific individual section of this Agreement shall be deemed disclosed in such Disclosure Schedule and applicable to any other section of the Disclosure Schedule only to the extent that such disclosure is reasonably apparent from its face to be applicable to such other section of the Disclosure Schedule. The inclusion of

any information in any Disclosure Schedule shall not be deemed an admission or acknowledgement, in and of itself or solely by virtue of the inclusion of such information in the Disclosure Schedule, that such information is required to be set forth therein or that such information is material to the Company, its Subsidiaries, the Sellers or the Business or constitutes a Material Adverse Effect. Capitalized terms used and not otherwise defined in any Disclosure Schedule shall have the respective meanings ascribed to them in this Agreement. As a material inducement to the Buyer to enter into and perform its obligations under this Agreement, except as specifically set forth in the Disclosure Schedule, the Company hereby represents and warrants to the Buyer as follows:

5.1. Organization and Good Standing.

The Company and each Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, and has all requisite corporate or other power and authority, as applicable, to conduct its business as presently conducted and to own and lease the material properties and assets presently used in

connection therewith and to perform all of its material obligations under each material agreement and instrument by which it is bound. The Company and each Subsidiary is qualified to do business and is in good standing in each jurisdiction where the nature or character of the property owned, leased or operated by it or the nature of the business transacted by it makes such qualification necessary, except where the failure to be so qualified or be in good standing would not reasonably be expected to result in a Material Adverse Effect.

5.2. Power and Authorization.

The Company has all requisite corporate power and authority to enter into and perform its obligations under this Agreement and under the other agreements and documents required to be delivered by it at the Closing that are set forth in Section 10.3 (collectively, the "Company Closing Documents"). The execution, delivery and performance by the Company of this Agreement have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by the Company and constitutes the valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally, general equitable principles, the discretion of courts in granting equitable remedies and matters of public policy. At the Closing, the Company Closing Documents will be duly executed and delivered by the Company and, when executed and delivered at the Closing as contemplated herein, each of the Company Closing Documents will constitute the valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, in each case, subject to applicable bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally, general equitable principles, the discretion of courts in granting equitable remedies and matters of public policy.

5.3. Capitalization.

(a) As of the date hereof, the total outstanding shares of the Company's capital stock consist of 31,724,796 shares of Company Common Stock, all of which shares are owned of record by the Persons, and in the respective amounts, set forth in Section 5.3(a) of the Disclosure Schedule. Immediately after the Closing, the shares of Company Common Stock (other than those that are Purchased Securities acquired by the Buyer at the Closing) will be owned of record by the Persons, and in the respective amounts, set forth in Section 5.3(a) of the Disclosure Schedule (as the same may be amended immediately prior to the Closing to reflect transfers of Company Common Stock, to the extent permitted hereunder, and issuances of Company Common Stock upon exercise of Convertible Securities). Under the Company Stock Option Plan, there are authorized Options to purchase 2,296,433 shares of Company Common Stock, of which, as of the date hereof, there are issued and outstanding Options to purchase 2,043,899 shares of Company Common Stock. Other than the Securityholders' Agreement and the foregoing Options, there are no outstanding offers, options, warrants, rights, agreements or commitments of any kind (contingent or otherwise), including employee benefit arrangements, relating to the issuance, conversion, registration, voting, sale, repurchase or transfer of any equity interests or other securities of the Company or obligating the Company or any other Person to purchase or redeem any such equity interests or other securities. All outstanding shares and rights to acquire shares of capital stock of the Company were issued on and after the Emergence Date. All of the issued and outstanding shares of capital stock of the Company have been duly

authorized, are validly issued and outstanding, are fully paid and nonassessable and have been issued in compliance in all material respects with applicable securities Laws. No securities issued by the Company from the Emergence Date to the date hereof were, and as of the Closing Date will have been, issued in violation of any statutory or common law preemptive rights. There are no

dividends which have accrued or been declared but are unpaid on any capital stock of the Company.

(b) All issued and outstanding shares of capital stock and equity interests (as applicable) of each Subsidiary are owned (beneficially and of record) by the Company or another Subsidiary, free and clear of any Encumbrance, other than directors' qualifying shares, shares held by nominee holders and similar requirements of applicable Laws. Under the Sunbeam Stock Option Plan and the Coleman Stock Option Plan, there are authorized Options to purchase 577,438 shares of Sunbeam Common Stock and 866,849 shares of Coleman Common Stock, respectively, of which, as of the date hereof, there are issued and outstanding Options to purchase 542,950 shares of Sunbeam Common Stock and 670,950 shares of Coleman Common Stock. Under the First Alert/Powermate Equity Plan, there are authorized First Alert/Powermate Options to purchase 215,387 shares of First Alert/Powermate Common Stock, of which, as of the date hereof, there are issued and outstanding First Alert/Powermate Options to purchase no shares of First Alert/Powermate Common Stock. From and after December 31, 2004, no First Alert/Powermate Options will be issued and outstanding. Except for such Options and First Alert/Powermate Options, there are no outstanding offers, options, warrants, rights, agreements or commitments of any kind (contingent or otherwise), including employee benefit arrangements, relating to the issuance, conversion, registration, voting, sale, repurchase or transfer of any equity interests or other securities of any Subsidiary or obligating any Subsidiary or any other Person to purchase or redeem any such equity interests or other securities. All of the issued and outstanding equity interests of each Subsidiary have been issued in compliance in all material respects with applicable securities Laws. No securities issued by any Subsidiary and held by the Company or another Subsidiary have been issued in violation of any statutory or common law preemptive rights. As of the date hereof, there are no dividends which have accrued or been declared but are unpaid on the outstanding equity interests of any Subsidiary.

(c) At the Closing, after giving effect to the transactions contemplated by Section 3.5 (which transactions the Company has or will have at or prior to the Closing the right or authority to consummate or cause to be consummated), no options, warrants or other rights to acquire shares of Company Common Stock, Coleman Common Stock or Sunbeam Common Stock, or to acquire any other equity securities of the Company or any Subsidiary, will be outstanding.

(d) At the Closing, the Registration Rights Agreement will terminate in accordance with its terms and will be of no further force or effect.

5.4. Investments and Subsidiaries.

The Business is conducted solely by and through the Company and the Subsidiaries, and neither the Company nor any Subsidiary, directly or indirectly, owns, controls or has any investment or other ownership interest in any Person other than the Company's ownership of its interest in the Subsidiaries.

5.5. No Conflicts.

The execution, delivery and performance of this Agreement and the Company Closing Documents do not and will not (with or without the passage of time or the giving of notice): (i) violate or conflict with the articles or certificate of incorporation, bylaws, articles or certificate of formation or organization, limited liability company or operating agreement, partnership agreement or other organizational document of the Company or any Subsidiary; (ii) violate or conflict with any Law binding upon the Company or any Subsidiary, except for such violations or conflicts as would not reasonably be expected to result in a Material Adverse Effect; (iii) violate or conflict with, result in a breach of, constitute a default under any material agreement or other material obligation to which the Company or any Subsidiary is a party (including without limitation the Contracts set forth in Section 5.14 of the Disclosure Schedule), or by which either of them or any of their assets are otherwise bound, except, in each case, for such violations, conflicts, breaches or defaults as would not reasonably be expected to result in a Material Adverse Effect; (iv) result in the creation of an Encumbrance pursuant to, or give rise to any penalty, acceleration of remedies, right of termination or otherwise cause any alteration of any rights or obligations of any party under any material Contract to which either the Company or any Subsidiary is a party or by which either of them or any of their assets are otherwise bound, except for Permitted Encumbrances and such penalties, remedies, terminations, rights, obligations or Encumbrances as would not reasonably be expected to result in a Material Adverse Effect; or (v) require any consent, notice, authorization, waiver by or filing with any Governmental Entity or other third party, except (A) as would not reasonably be expected to result in a Material Adverse Effect or (B) for filings (1) under the HSR Act and (2) applicable requirements of antitrust or other competition laws of other jurisdictions which, if not obtained, would not reasonably be expected to result in a Material Adverse Effect.

5.6. Financial Matters.

(a) The Company has delivered to the Buyer true and complete copies of the Company's (a) audited consolidated balance sheets of the Company at December 31, 2002 and 2003 (such balance sheet at December 31, 2003, the "Balance Sheet") and the related audited consolidated statements of operations, shareholder's equity and cash flows at and for the fiscal years ended December 31, 2002 and 2003, including the notes thereto (together with the Balance Sheet, the "Audited Financial Statements"), and (b) unaudited consolidated balance sheet at June 30, 2003 and 2004 (such balance sheet at June 30, 2004, the "Interim Balance Sheet") and the related unaudited consolidated statements of operations and cash flows for the six months ended June 30, 2004 (the "Interim Financial Statements" and, together with the Audited Financial Statements, the "Financial Statements"). The Financial Statements (i) have been prepared based on the books and records of the Company and each Subsidiary, (ii) have been prepared in accordance with GAAP, consistently applied, in all material respects, except, in the case of the Interim Financial Statements, for normal year-end adjustments, the omission of footnote disclosures required by GAAP and the omission of a statement of shareholder's equity, and (iii) fairly present in all material respects the financial position of the Company and the Subsidiaries on a consolidated basis as of the respective dates thereof and the results of operations, changes in shareholders' equity (in the case of the Audited Financial Statements), and cash flows for the periods covered thereby.

(b) The Company has retained KPMG LLP to assist the Company with achieving compliance with reporting disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) and internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) requirements inherent in Section 404 of the Sarbanes-Oxley Act of 2002, as amended.

5.7. Absence of Undisclosed Liabilities.

To the Knowledge of the Company, there are no material liabilities or obligations of the Company or any Subsidiary, either accrued, contingent, absolute or otherwise, other than those that: (a) are disclosed or reserved against on the Balance Sheet, the Interim Balance Sheet or the notes thereto; or (b) have arisen in the ordinary course of business since the date of the Interim Balance Sheet.

5.8. Real Property.

(a) Section 5.8(a) of the Disclosure Schedule sets forth a true, accurate and complete list of the addresses of all Properties (identifying those that are Leased Properties and those that are Owned Properties) that are material to the operations of the Company or any Material Division.

(b) The Company and each Subsidiary (as applicable) has valid title in fee simple to all of the Owned Properties and valid leasehold interests in all Leased Properties, in each case, free and clear of any Encumbrance, except for: (i) liens for taxes not yet delinquent and as to which no penalty has been imposed, assessments and governmental charges and levies which are not in default or which are being contested in good faith by appropriate proceedings and adequate reserves with respect thereto are maintained on the books and records of the Company or such Subsidiary in accordance with GAAP; (ii) any zoning or other governmentally established restrictions or encumbrances; (iii) such utility and municipal easements and restrictions, if any, as do not detract in any material respect from the value of the Property subject thereto and do not materially interfere with any Property used in the ordinary conduct of the Business as presently conducted; (iv) Encumbrances that, individually or in the aggregate, do not have a material adverse effect upon the Property or Properties affected thereby; and (v) such matters as an accurate survey may show, provided that, individually or in the aggregate, such matters would not reasonably be expected to result in a material adverse effect on the value of the Property or Properties affected thereby (collectively, the "Permitted Encumbrances"). The Company shall make available copies of all existing surveys, title insurance policies and their respective exception documents for each of the Properties, to the extent in the possession of the Company or any Subsidiary, to Buyer or its representatives. To the Knowledge of the Company, neither the Company nor any Subsidiary has received written notice with respect to any Owned Property or to any Leased Property that is material to the operations of the Company or any Material Division that (i) any building or structure, to the extent of the premises owned or leased by the Company or any Subsidiary, or (ii) any appurtenance thereto or equipment therein, or (iii) the operation or maintenance thereof, violates in any material respect any restrictive covenant or any rule adopted by any national, state or local association. To the Knowledge of the Company, neither the Company nor any Subsidiary has received written notice of any pending or threatened condemnation proceeding, special assessment, tax certiorari or similar

proceeding with respect to any Owned Property or to any Leased Property that is material to the operations of the Company or any Material Division.

(c) To the Knowledge of the Company, neither the Company nor any

Subsidiary has received any written notice since the Emergence Date (i) of any pending rezoning proceeding affecting any Owned Property or any Leased Property that is material to the operations of the Company or any Material Division, or (ii) from any utility company or municipality of any existing fact or condition that would reasonably be expected to result in the discontinuation of presently available sewer, water, electric, gas or telephone for any Property (or any portion thereof) that is material to the conduct of the Business.

(d) The Leased Properties that are material to the operations of the Company or any Material Division and the Owned Properties have sufficient access to conduct the Business at such Properties, as presently conducted.

(e) Neither the Company nor any Subsidiary is party to any lease or license granting to any Person any right to the use, occupancy or enjoyment with respect to any Owned Property or any portion thereof.

(f) No Owned Property (or any portion thereof) that is set forth in Section 5.8(a) of the Disclosure Schedule, including, without limitation, any material building or improvement thereon, is subject to any purchase option, right of first refusal or first offer or other similar right.

(g) The Company has made available to the Buyer true and complete copies of all Leases that are material to the operations of the Business and all material ancillary documents pertaining thereto.

(h) Each Lease for any Leased Property that is material to the operations of the Company or any Material Division is in full force and effect. Neither the Company nor any Subsidiary (as applicable) nor, to the Knowledge of the Company, any other party to any such Lease has given to the other party to such Lease written notice of any material breach or default that remains uncured as of the date hereof. Neither the Company nor any Subsidiary (as applicable) is in material default under any such Lease and, to the Knowledge of the Company and any Subsidiary, no other party to any such Lease is in material default. To the Knowledge of the Company, there are no events which with the passage of time or the giving of notice or both would constitute a material default by the Company or any Subsidiary or by any other party to any such Lease.

(i) Neither the Company nor any Subsidiary is party to any sublease, license or other agreement granting to any Person any right to the use, occupancy or enjoyment of any Leased Property (or any portion thereof) that is set forth in Section 5.8(a) of the Disclosure Schedule.

(j) There are no guaranties from any of the Sellers, the Company or any Subsidiary in favor of the lessors with respect to any Leased Property that is material to the operations of the Company or any Material Division.

5.9. Personal Property.

The Company and each Subsidiary has good and valid title in and to all material personal property owned by it, free and clear of all Encumbrances, except for any Permitted Encumbrances. All leased personal property used in the Business is used pursuant to valid, subsisting and enforceable leases, subleases, licenses and other agreements binding upon the Company and any Subsidiary (as applicable) and, to the Knowledge of the Company, the other parties thereto, in accordance with their terms, except as would not reasonably be expected to result in a Material Adverse Effect. The material properties and assets owned or leased by the Company or any Subsidiary are in the possession or under the control of the Company or such Subsidiary, other than properties and assets in transit or on consignment.

5.10. Taxes.

(a) The Company, each Subsidiary and each affiliated group (within the meaning of Section 1504 of the Code) of which the Company or any Subsidiary is a member has (i) timely and duly filed with the appropriate Governmental Entities all Income Tax Returns and other material Tax Returns required to be filed by them (after giving effect to validly obtained extensions of time in which to make such filings) and each such Tax Return is accurate and complete in all material respects and (ii) timely paid all Taxes shown as due thereon. The unpaid Taxes for all taxable years beginning after the Emergence Date for which the Company and the Subsidiaries are responsible do not exceed in any material respect the amounts of the reserves for actual unpaid Taxes for such taxable years which are set forth on the Interim Balance Sheet and are specifically stated in the books and records of the Company and/or the Subsidiaries (as opposed to any reserve for deferred Taxes established to reflect timing differences between book and Tax income). For the avoidance of doubt, nothing in this Agreement shall be construed as representing the existence or availability of any net operating losses or tax credits in any taxable period, or portions of taxable period.

(b) The Company has delivered or made available to the Buyer, upon its written request, (i) true, correct, and complete copies of all Income Tax Returns of the Company and each Subsidiary for taxable periods ending after December 31, 1999 that had been filed at the time of such request and (ii) an

accurate and complete summary of all material audit reports issued by a Governmental Entity on or after December 31, 1998, relating to any material Taxes due from or with respect to the Company or any Subsidiary.

(c) Neither the Company nor any Debtor Subsidiary has made an election described in Section 108(b)(5) of the Code with respect to the transactions consummated in any Bankruptcy Plan. The Company (i) has consistently treated it and each Debtor Subsidiary as duly qualified for treatment under Section 382(l)(5) with respect to the transactions consummated in connection with the Bankruptcy Plans and (ii) has not made an election described in Section 382(l)(5)(H) of the Code in respect of such transactions. Since January 1, 1998, neither the Company nor any Subsidiary has undergone an ownership change within the meaning of Section 382 of the Code, except as a result of the transactions consummated in connection with the Bankruptcy Plans or pursuant to this Agreement.

(d) All deficiencies for Taxes asserted against the Company or any Subsidiary (i) have been paid or (ii) are reserved, in accordance with GAAP, on the Balance Sheet or on the books and records of the Company and being contested in good faith by proper proceedings. Since January 1, 2001, neither the Company nor any Subsidiary has been the subject of any audit, suit, proceeding, claim, examination, or assessment by any Governmental Entity regarding Taxes, and no such audit, suit, action, proceeding, claim, examination, or assessment is currently pending or, to the Knowledge of the Company, threatened. There are no Encumbrances for Taxes except for Encumbrances for Taxes not yet due or delinquent upon the assets of the Company or any Subsidiary or upon any of the capital stock of the Company or any Subsidiary.

(e) Section 5.10(e) of the Disclosure Schedule lists (i) all types of Taxes currently payable, and all types of Tax Returns currently required to be filed, by or on behalf of the Company and each Subsidiary, (ii) all of the jurisdictions that currently impose upon the Company or any Subsidiary a duty to pay Tax or file a Tax Return and (iii) the taxable years of the Company and the Subsidiaries for which the statute of limitations remains open with respect to any material Tax. No claim in writing has been made by any Governmental Entity in a jurisdiction in which the Company or Subsidiary does not file Tax Returns that the Company or any Subsidiary is or may be subject to taxation by that jurisdiction.

(f) There is no material taxable income of the Company or any Subsidiary that will be reportable in a taxable period beginning after the Closing Date that (i) economically accrued in a period beginning prior to the Closing Date, by reason of the installment method of accounting, the completed contract method of accounting, the percentage of completion method of accounting or (ii) was reported for financial accounting purposes in a period beginning prior to the Closing Date.

(g) Neither the Company nor any Subsidiary has engaged in any "intercompany transaction" in respect of which income or gain that is material in the aggregate (disregarding any losses arising from any such intercompany transaction) continues to be deferred pursuant to Treasury Regulation (ss). 1.1502-13 or any predecessor or successor thereof or analogous or similar provision under state, local or foreign Law.

(h) Neither the Company nor any Subsidiary (i) has any liability for the Taxes of any Person, other than the Company or the Subsidiaries, under Treasury Regulation (ss). 1.1502-6 (or any predecessor or successor thereof or analogous or similar provision of state, local or foreign Law) or as a transferee or successor or (ii) has entered into or is subject, directly or indirectly, to any Tax allocation, indemnity, sharing or similar agreement or arrangement (whether or not written), other than those that are solely among the Company and/or Wholly-Owned Subsidiaries.

(i) None of the Company, any Subsidiary or any other Person on its or their behalf has (i) agreed to or is required to make any adjustment pursuant to Section 481(a) of the Code or any similar provision of state, local or foreign Law (and, to the Knowledge if the Company, no Governmental Entity has proposed any such adjustment), or has any application pending with any Governmental Entity requesting permission for any change in accounting method that relates to the Company or any Subsidiary, (ii) entered into a closing agreement pursuant to Section 7121 of the Code or any similar provision of state, local or foreign Law with

respect to the Company or any Subsidiary, (iii) requested any extension of time within which to file any Tax Return, which Tax Return has since not been filed, (iv) granted any extension of the statute of limitations for the assessment or collection of Taxes, or otherwise entered into or filed any agreement, arrangement, waiver or objection extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any Tax Return, or any payment of Taxes, (v) granted to any Person

any power of attorney that is currently in force with respect to any Tax matter, or (vi) since January 1, 2002, requested or received a ruling from any Governmental Entity in respect of Taxes or requested or entered into an agreement in respect of Taxes with any Governmental Entity.

(j) Neither the Company nor any Subsidiary is or has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(i)(A)(ii) of the Code.

(k) No outstanding Indebtedness is a "disqualified debt instrument" within the meaning of Section 163(l) of the Code.

(l) With respect to the Company or any Subsidiary that used or uses the LIFO method of accounting with respect to its inventory in taxable periods that end on or before the Closing Date, the Company and each Subsidiary (i) properly make use of the LIFO method of accounting with respect its inventory, (ii) have a valid LIFO election in effect, (iii) have not committed any act that would cause a termination of such LIFO election, and (iv) have not entered into any transaction that would require the collapse of its historic base year layers.

(m) Neither the Company nor any Subsidiary was either a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (i) within the two (2) year period ending on the date hereof or (ii) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the transactions contemplated by this Agreement.

(n) The Company and the Subsidiaries have maintained, in all material respects, intercompany agreements with respect to transfer pricing, concurrent and supporting documentation in respect of such transfer pricing as required under guidelines issued by the IRS and the Organization for Economic Cooperation and Development.

(o) To the Knowledge of the Company, none of the Subsidiaries organized under the Laws of a country other than the United States (the "Foreign Subsidiaries") (i) is engaged in a United States trade or business for U.S. federal income tax purposes, (ii) has any investment in United States property within the meaning of Section 956 of the Code, (iii) is (or has ever been) a "foreign investment company" within the meaning of Section 1246(b) of the Code, (iv) is a "passive foreign investment company" within the meaning of Section 1297 of the Code, or (v) has made an election described in Section 897(i) of the Code.

(p) Since January 1, 1998, neither the Company nor any Subsidiary has participated in or cooperated with any international boycott or has been requested to do so in connection with any transaction or proposed transaction.

(q) Since January 1, 1998, neither the Company nor any Subsidiary has (i) at any time, engaged in or entered into a "listed transaction" within the meaning of Treasury Regulation (ss).(ss). 1.6011-4(b)(2), 301.6111-2(b)(2) or 301.6112-1(b)(2), or (ii) filed IRS Form 8275 or 8275-R or any predecessor or successor thereof or analogous or similar Tax Return under state, local or foreign Law.

(r) The Company and the Subsidiaries have complied in all material respects with all applicable Laws relating to the payment and withholding of Taxes, have duly and timely withheld and paid over to the appropriate Governmental Entity all amounts so withheld under applicable Laws, and have duly and timely filed all required Tax Returns with respect to such withheld Taxes.

5.11. Litigation.

There are no Proceedings pending or, to the Knowledge of the Company, threatened in writing, against the Company or any Subsidiary, or, to the Knowledge of the Company, pending or threatened in writing against their respective directors (or Persons in similar positions) or officers, in their capacities as such, other than, in each case, (a) Proceedings in the ordinary course of Business, (b) Proceedings that, if adversely determined, would not reasonably be expected to result in a Material Adverse Effect and (c) Environmental Claims, which are addressed in Section 5.18. Neither the Company nor any Subsidiary is bound by any judgment, award, determination, order, writ, injunction or decree of any Governmental Entity, except for such judgments, awards, orders, writs, injunctions or decrees as would not reasonably be expected to result in a Material Adverse Effect.

5.12. Labor Matters.

With respect to labor matters: (a) neither the Company nor any Subsidiary is a party to any labor or collective bargaining agreement, and, to the Knowledge of the Company, there are no other labor or collective bargaining agreements which pertain to, or cover, employees of the Company or any Subsidiary; (b) no employees of the Company or any Subsidiary are (or, since the

Emergence Date, have been) represented by any labor organization, since the Emergence Date, no labor organization or group of employees has made a demand, and therefore no pending demands, for recognition or certification, and there are no (and since the Emergence Date, there have not been any) representation or certification proceedings presently pending or, to the Knowledge of the Company, threatened to be brought or filed with the National Labor Relations Board or any other labor relations tribunal or authority; (c) there are no (and since the Emergence Date, there have not been any) strikes, work stoppages, slowdowns, lockouts, arbitrations or grievances or other labor disputes pending or, to the Knowledge of the Company, threatened against or involving the Company or any Subsidiary, in each case, that would be reasonably expected to have a material impact on the operations of the Company or any Material Division, and there are no (and since the Emergence Date, there have not been any) unfair labor practice charges, grievances or complaints pending or threatened in writing by or on

behalf of any employee or group of employees, in each case, that would be reasonably expected to have a material impact on the operations of the Company or any Material Division; (d) there are no complaints, charges or claims against the Company or any Subsidiary pending or, to the Knowledge of the Company, threatened to be brought or filed with any Governmental Entity or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment of, or termination of employment by, the Company or any Subsidiary of any individual, except for such charges, grievances or complaints as would not reasonably be expected to result in a Material Adverse Effect; and (e) the Company and each Subsidiary (i) have complied with all applicable federal, state, and local legal requirements relating to its employees, arising from statutes relating to wages, hours, collective bargaining, unemployment insurance, worker's compensation, equal employment opportunity, age and disability discrimination, and (ii) have complied with all applicable federal, state and local legal requirements relating to its employees arising from statutes relating to immigration and I-9 compliance, except, in each case, for such non-compliance as would not reasonably be expected to result in a Material Adverse Effect.

5.13. Intellectual Property Rights.

(a) The Company and/or the Subsidiaries own all right, title and interest in and to, or have valid licenses to use, all Intellectual Property that is material to the operations of the Company or any Material Division. To the Knowledge of the Company, (i) none of the trade secrets owned by the Company or any Subsidiary that are material to the operations of the Company or any Material Division has been misappropriated by any other Person; and (ii) no employee, independent contractor or agent of the Company or any Subsidiary has misappropriated any trade secrets of any other Person in the course of the performance of his or her duties as an employee, independent contractor or agent of the Company or any Subsidiary.

(b) Neither the Intellectual Property that is material to the operations of the Company or any Material Division nor the Company's or any Subsidiary's use thereof violates or infringes any intellectual property or other proprietary rights of any other Person. During the five (5) year period ended on the date hereof, no third party has notified the Company or any Subsidiary in writing of a challenge to the Company's or such Subsidiary's ownership or use of, or the validity or enforceability of, any material Intellectual Property owned or licensed by the Company or any Subsidiary and, to the Knowledge of the Company, there is no existing fact or circumstance that would be reasonably expected to give rise to any such challenge that would reasonably be expected to result in a Material Adverse Effect. To the Knowledge of the Company, no third party is infringing upon any of the Intellectual Property owned by the Company or any Subsidiary or any Intellectual Property that is material to the operations of the Company or any Material Division and is licensed by the Company or any Subsidiary.

(c) Section 5.13(c) of the Disclosure Schedule sets forth a true, accurate, complete and current list (including the registration numbers, if any, and respective owners) of all patents, patents pending, trademark/service mark applications and registrations, copyright applications and registrations, and domain name registrations that are owned by the Company or any Subsidiary. All renewal fees, maintenance fees, and other fees in respect of the material Intellectual Property owned by the Company or any Subsidiary that have fallen due on or prior to the date of this Agreement (and the Closing Date) have been (and as of the Closing Date will

have been) paid in full except to the extent that Company or the Subsidiaries have intentionally abandoned or otherwise failed to maintain such Intellectual Property.

(d) Section 5.13(d) of the Disclosure Schedule sets forth the material licenses pursuant to which the Company or any Subsidiary grants to any other Person the right to use Intellectual Property owned by the Company or any Subsidiary, and pursuant to which any other Person grants to the Company or any

Subsidiary the right to use Intellectual Property owned by any other Person. Neither the Company nor any Subsidiary is in material breach or default with respect to any of such material licenses and, to the Knowledge of the Company, no other party thereto is in material breach or default with respect to such licenses, and, to the Knowledge of the Company, no event has occurred which, with due notice or lapse of time or both, would constitute such a default.

(e) Section 5.13(e) of the Disclosure Schedule sets forth a true, accurate, complete and current list of all Software used by the Company or any Subsidiary in the operation of the Business. The Company and its Subsidiaries have not installed any unlicensed copies of any mass market software that is available in consumer retail stores or otherwise commercially available and subject to "shrink-wrap" or "click-through" license agreements on any of the Company's or any Subsidiary's computers or computer systems, and the Company and its Subsidiaries have policies in place prohibiting such installation, which policies are adequate and appropriate in light of the respective size and nature of the operations of the Company and its Subsidiaries.

5.14. Contracts and Commitments.

Section 5.14 of the Disclosure Schedule sets forth a complete and accurate list of:

(a) For the twelve month period ended on December 31, 2003 and for the six month period ended on June 30, 2004, a complete and correct list of, (i) the top ten (10) customers of each of Coleman and Sunbeam, and the aggregate sales to such customers and (ii) the top ten (10) suppliers of each of Coleman and Sunbeam, by the aggregate dollar volume of purchases by the Business from such suppliers for such period;

(b) Each Contract (other than open sales or purchase orders and obligations based on forecasts for purchases and Contracts described in Section 5.14(e)) that involves the performance of services for or the delivery of goods or materials to the Company and/or any Subsidiary during the Company's most recently completed fiscal year in an amount or value in excess of $1,500,000 or pursuant to which the Company or any Subsidiary is obligated to purchase future services, goods or materials in an amount in excess of $1,000,000, in each case, that may not be terminated (by its terms or otherwise) by the Company or such Subsidiary within one hundred and twenty (120) days without payment of a termination penalty of less than $250,000 under such Contract on the part of the Company or any Subsidiary;

(c) Each Contract that was not entered into in the ordinary course of business or that is not contemplated by the July Forecast that involves future expenditures or receipts in excess of $250,000 to which the Company and/or any Subsidiary is a party or is otherwise bound;

(d) Each material Contract with respect to environmental investigation, removal, remediation or monitoring at any facility or property (including, without limitation, any Property);

(e) Each representative, distribution, marketing or sales agency Contract to which the Company and/or any Subsidiary is a party or is otherwise bound and that (i) requires payments to be made thereunder by the Company or any Subsidiary without regard to any minimum sales and (ii) may not be terminated (by its terms or otherwise) by the Company or such Subsidiary within one hundred and twenty (120) days without payment of a termination penalty of less than $250,000 under such Contract on the part of the Company or any Subsidiary;

(f) Each Contract containing covenants materially limiting the freedom of the Company and/or any Subsidiary to engage in any line of business or to compete with any Person or covenants of another Person not to compete with the Company or any Subsidiary in any material respect;

(g) Each sole source supply Contract for the purchase of any material, raw material, component or product that is otherwise not generally available and that is used in the manufacture of any product that is material to the Business;

(h) All agreements entered into during the five (5) year period ended on the date hereof with respect to the acquisition of any other entity, business, line of business or assets that are material to the Business to which the Company and/or any Subsidiary is a party or is otherwise bound;

(i) All employment, severance, separation or change of control agreements presently in effect with past or present employees of the Company or any Subsidiary and all consulting agreements to which the Company or any Subsidiary is a party (other than offer letters or employment arrangements terminable at will without payment of contractual severance or other amounts in excess of $200,000); and

(j) Each Contract to which the Company or any Subsidiary is a party or is otherwise bound with respect to the sharing, contingent or otherwise, of material profits, revenues, losses, costs or liabilities of any Person.

Neither the Company nor any Subsidiary is in material breach or default with respect to any of the above Contracts or any Contracts with the Persons

described in Section 5.14(a) (except for such breaches or defaults that would not reasonably be expected to be material to the operations of the Business) and, to the Knowledge of the Company, no other party to any such Contracts is in material breach or default with respect to any such Contracts (except for such breaches or defaults that would not reasonably be expected to be material to the operations of the Business), and no event has occurred which, with due notice or lapse of time or both, would constitute such a default. Neither the Company nor any Subsidiary has received any written notice since December 31, 2003 of any material breach or default with respect to any such Contracts which remains uncured (except for such breaches or defaults that would not reasonably be expected to be material to the operations of the Business).

5.15. Existing Condition.

(a) Since the date of the Interim Balance Sheet and through the date hereof, there has not occurred any:

(i) Material Adverse Effect or any event, change or effect which would reasonably be expected to result in a Material Adverse Effect;

(ii) damage to, destruction or loss of any material asset of the Company or any Subsidiary not covered by insurance and in excess of $1,500,000;

(iii) forbearance of any material Indebtedness, except in each case in the ordinary course of business;

(iv) adoption of or material change in any Plan (as defined below) or, except in the ordinary course of business, labor policy, other than as required by applicable Law;

(v) termination or receipt of notice of termination of, business relationship with any Person required to be disclosed in the Disclosure Schedule pursuant to Section 5.14(a);

(vi) sale (other than sales of inventory in the ordinary course of business), assignment, conveyance, transfer, lease, or other disposition of any asset or property of the Company or any Subsidiary that is material to the Business or mortgage, pledge, or imposition of any lien or other encumbrance on any asset or property of the Company or any Subsidiary that is material to the Business, except, in each case, pursuant to existing Indebtedness or as specifically permitted hereunder; or

(vii) capital expenditure, other than as contemplated by the July Forecast, in excess of $250,000.

(b) From and after the date of the Interim Balance Sheet until the date hereof, there has not occurred: (i) any change by the Company or any Subsidiary in its accounting principles or policies except as required by GAAP or applicable Law; (ii) any revaluation by the Company or any Subsidiary of any of its assets, including, without limitation, any write off or write down of notes, accounts receivable or inventory, other than in the ordinary course of business and consistent with past practice or as required by GAAP or applicable Law; or (iii) any binding agreement to do or otherwise suffer or incur any of the foregoing by the Company or any Subsidiary.

(c) From and after the date of the Interim Balance Sheet until the date hereof, there has not occurred any increase in compensation payable to, or entry into (or amendment of) any employment or severance agreement with, any (i) U.S. stockholder, director (or Person in a similar position), officer or employee, in any such case who earns compensation (in their capacities as such) in excess of $75,000 per annum, of the Company or its Subsidiaries, or (ii) any non-U.S. stockholder, director (or Person in a similar position), officer or employee in of

the Company or its Subsidiaries other than in the ordinary course of business and consistent with past practice.

5.16. Employee Benefit Plans.

(a) Section 5.16(a) of the Disclosure Schedule contains a true, accurate and complete list of (i) all material employee benefit plans, policies and arrangements, including, but not limited to, all "employee benefit plans" (as defined in Section 3(3) of ERISA), sponsored, maintained or contributed to, or required to be contributed to, by the Company or any Subsidiary in the United States (collectively, the "Plans") and (ii) all "employee benefit pension plans" (as defined in Section 3(2) of ERISA) sponsored, maintained or contributed to, or required to be contributed to, by any Person required to be aggregated with the Company under Section 414(b), (c), (m), or (o) of the Code (each, an "ERISA Affiliate") in the United States whether or not for the benefit of employees or former employees of the Company or any Subsidiary (such employee benefit pension plans are collectively the "ERISA Affiliate Plans").

(b) With respect to each Plan, the Company has made available to the Buyer a true and correct copy of, as applicable, (i) the Plan and all amendments thereto, (ii) the most recent annual report of each Plan on Form 5500, (iii) such trust agreement and group annuity contract, if any, relating to such Plan, (iv) the most recent actuarial report or valuation relating to any such Plan subject to Title IV of ERISA, (v) the most recent IRS determination or opinion letter with respect to any such Plan which is intended to be "qualified" within the meaning of Section 401(a) of the Code or where an application for such letter is pending, all applications to the IRS, and (vi) the most recent summary plan description for such Plan.

(c) With respect to each Plan: (i) if intended to qualify under Section 401(a) of the Code, such Plan has received a determination letter from the Internal Revenue Service stating that it so qualifies and that its trust is exempt from taxation under Section 501(a) of the Code or an application for such letter is pending, and, to the Knowledge of the Company, nothing has occurred since the date of such determination or application that would reasonably be expected to result in the loss of such qualification or exempt status; (ii) such Plan has been administered and operated in all material respects in accordance with its terms and applicable Law (including ERISA and the Code, and all rules and regulations promulgated thereunder); (iii) neither the Company nor any Subsidiary has incurred any material liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any such Plan; (iv) no disputes are pending, or, to the Knowledge of the Company, threatened by any Governmental Entity or by any participant or beneficiary against any Plan, the assets of any trust under any Plan or the Plan sponsor or the Plan administrator, or against any fiduciary of any Plan with respect to the design or operation of such Plan, other than routine claims for benefits thereunder; (v) to the Knowledge of the Company, no non-exempt prohibited transaction (within the meaning of Section 406 of ERISA) has occurred that gives rise to or would reasonably be expected to give rise to material liability on the part of the Company or any of its Subsidiaries; and (vi) all contributions due and payable by or under any Plan (or trust or fund established thereunder or in connection therewith) (taking into account any extensions of time for the making of such contributions) have been made in full or appropriately accrued for in the Company's Financial Statements.

(d) No Plan or ERISA Affiliate Plan has incurred an accumulated funding deficiency, as defined in Section 302 of ERISA or Section 412 of the Code, whether or not waived. Except for liabilities for premiums due to the Pension Benefit Guaranty Corporation ("PBGC"), no liability has been or would reasonably be expected to be incurred by the Company, any Subsidiary or any ERISA Affiliate under or pursuant to Title IV of ERISA, and no event has occurred or condition exists that has resulted in or would reasonably be expected to result in any such liability to the Company, any Subsidiary or any ERISA Affiliate.

(e) No Plan or ERISA Affiliate Plan is a "multiemployer plan" as defined in Section 3(37) of ERISA, and none of the Company, any Subsidiary or any ERISA Affiliate has withdrawn at any time within the preceding six years from any multiemployer plan, or incurred any withdrawal liability which remains unsatisfied, and no event has occurred and no circumstance exists that would result in any such liability to the Company, any Subsidiary or any ERISA Affiliate.

(f) None of the Plans provide retiree health or life insurance benefits except as may be required by Section 4980B of the Code and Section 601 of ERISA, any other applicable Law or at the expense of the participant or the participant's beneficiary. There has been no violation of the "continuation coverage requirement" of "group health plans" as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA with respect to any Plan to which such continuation coverage requirements apply that would reasonably be expected to result in any material liability to the Company or any Subsidiary.

(g) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will, either by itself or in conjunction with a subsequent event: (i) result in any payment becoming due to any current employee or former employee of the Company or any Subsidiary, (ii) increase any benefits otherwise payable under any of the Plans, (iii) result in any payment or any amount payable that will not be deductible under Section 280G of the Code or give rise to any Tax under Section 4999 of the Code, or (iv) result in the acceleration of the time of payment or vesting of any benefits provided under any of the Plans.

(h) Section 5.16(h) of the Disclosure Schedule contains a true, accurate and complete list of each employee benefit plan sponsored, maintained or contributed to, or required to be contributed to, by the Company or any Subsidiary that is not located in the United States, other than government sponsored employee benefit plans (each, a "Foreign Benefit Plan"). With respect to each Foreign Benefit Plan: (i) all employer and employee contributions to such Foreign Benefit Plan required by Law or by the terms of such Foreign Benefit Plan have been made, or, if applicable, accrued in accordance with normal accounting practices, and (ii) such Foreign Benefit Plan is operated in material compliance with applicable Laws.

5.17. Compliance with Laws.

The Company and each Subsidiary is in compliance with, and from and after the Emergence Date, has not received any written notice of any violation with respect to, any Laws applicable to the Business, except, in each case, for such non-compliance or violations as would not reasonably be expected to result in a Material Adverse Effect. The Company and each

Subsidiary (as applicable) possesses all Permits. Each Permit is valid and in full force and effect, and is not subject to any pending or, to the Knowledge of the Company, threatened administrative or judicial proceeding to revoke, cancel or declare such Permit invalid in any respect.

5.18. Environmental.

(a) The Company and each Subsidiary is and, in the five-year period preceding the date hereof, has been in material compliance with all applicable Environmental Laws and has not received written notice of any unresolved potential liability, violation or delinquency with respect to any Environmental Law that would be material to the conduct of the Business, including, without limitation, pursuant to any agreement with any Person, or any Permit or order from, any Governmental Entity. The Company and each Subsidiary has obtained all Permits required under Environmental Laws and material to the conduct of the Business ("Environmental Permits"), such Environmental Permits are set forth in Section 5.18(a) of the Disclosure Schedule, each Environmental Permit of the Company and each Subsidiary remains in full force and effect, is not subject to appeal or any pending or threatened administrative or judicial proceedings, other than administrative review processes in the ordinary course of pending renewals, and complete applications for all material new, modified or renewed Environmental Permits that are presently due or pending have been submitted on a timely basis except where the failure to obtain any such Environmental Permit, take any such action or where such appeal or Proceeding would, if adversely determined, not be material to the conduct of the Business. Except as would not be material to the conduct of the Business, neither the Company nor any Subsidiary has received notice that any such Environmental Permit will not be issued or renewed with terms and conditions that are consistent with the present or presently proposed operation of the relevant facility.

(b) There is no material Environmental Claim pending or, to the Knowledge of the Company, threatened against the Company or any Subsidiary or otherwise relating to any of the Properties. To the Knowledge of the Company, except as would not reasonably be expected to result in a Material Adverse Effect, there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the production, use, sale, storage, transportation, handling, release, threatened release, emission, discharge, presence or disposal of any Hazardous Materials, that would reasonably be expected to form the basis of any Environmental Claim or prevent continued compliance with Environmental Laws relating to the Business or any of the Properties or against the Company or any Subsidiary.

(c) To the Knowledge of the Company, neither the Company nor any Subsidiary is or will be required to incur material capital cost or expense to cause its operations or properties to achieve or maintain compliance with applicable Environmental Laws under current operational conditions.

(d) To the Knowledge of the Company, neither the Company nor any Subsidiary has manufactured, distributed or sold any asbestos-containing material in the five-year period ended on the date hereof. Except as would not reasonably be expected to result in a Material Adverse Effect, there are no pending or, to the Knowledge of the Company, threatened Proceedings against the Company or any of its Subsidiaries arising out of any lead-containing,

silica-containing or asbestos-containing material or the exposure to or release thereof. In the five-year period ended on the date hereof, there have been no Proceedings against the Company or any of its Subsidiaries arising out of any asbestos-containing material or the exposure to or release thereof.

(e) Neither the Company nor any Subsidiary has, or, in the five-year period preceding the date hereof, has had any material obligation under any agreement with any Person or pursuant to an order of a Governmental Entity for conducting any site investigation or cleanup. To the Knowledge of the Company, neither the Company nor any Subsidiary has, either expressly or by operation of law, assumed or undertaken any material liability or material corrective, investigatory or remedial obligation of any other Person or for any business or property previously owned or operated by the Company or any Subsidiary relating to any Environmental Law.

(f) The Company has made available to the Buyer true and complete copies of all (i) material Environmental Permits, (ii) material notices, demands, claims or actions relating to any of the Business or the Properties

pursuant to Environmental Law which are unresolved, and (iii) material reports related to all investigations or assessments of environmental conditions at any of the Properties or compliance of the Business with Environmental Law.

5.19. Transactions With Affiliates.

Section 5.19 of the Disclosure Schedule sets forth for each (a) Seller, (b) director or officer of the Company or any Subsidiary and (c) Affiliate of any stockholder of the Company who is an individual and who owns of record more than 1% of the outstanding shares of Company Common Stock every agreement, undertaking or compensation arrangement that is in effect as of the date hereof between such Person and the Company and/or any Subsidiary (other than under the Plans and employment arrangements in the ordinary course of business) and any interest of such Person in any property, real, personal or mixed, tangible or intangible, used in or pertaining to the Business. To the Knowledge of the Company, since the Emergence Date, no Seller or director or officer of the Company or any Subsidiary has been a director (or Person in a similar position) or executive officer of, or has had any ownership interest in (excluding the ownership of no more than 5% of the outstanding securities in any publicly traded company), any firm, corporation, association or business enterprise which during such period was a material customer of the Company or any Subsidiary.

5.20. Insurance.

Section 5.20 of the Disclosure Schedule sets forth a true, correct and complete list of all insurance policies of the Company and any Subsidiary for the five (5) year period ended on the date hereof, which policies have been made available to the Buyer. The Company and each Subsidiary has complied in all material respects with all terms and conditions of such policies, including premium payments, and such policies are in full force and effect. Since the Emergence Date, neither the Company nor any Subsidiary has received: (a) any written notice of cancellation of any policy or binder of insurance required to be identified in Section 5.20 of the Disclosure Schedule other than statutory notices protecting insurers' rights to renew an existing policy or to change terms, conditions and pricing upon renewal; (b) any written notice that any

issuer of such policy or binder has filed for protection under applicable bankruptcy or insolvency laws; or (c) any other written notice that any such policy or binder is no longer in full force or effect or that the issuer of any such policy or binder is unwilling or unable to perform its obligations thereunder. Since the Emergence Date, the Company and its Subsidiaries have maintained, without interruption, self-insurance or policies or binders of insurance covering such risks and events as to provide, in the reasonable judgment of the Company, adequate and sufficient insurance coverage for all the assets and operations of the Business, subject to deductibles and policy limits reasonable and appropriate for the Company and the Subsidiaries. There are no pending or, to the Knowledge of the Company, threatened disputes to coverage under any of the policies listed on Section 5.20 of the Disclosure Schedule that, if adversely determined, would reasonably be expected to result in a Material Adverse Effect.

5.21. Product Recall.

From and after the Emergence Date and until the date hereof, there has not been any recall or, to the Knowledge of the Company, investigation or written inquiry from a Governmental Entity which would reasonably be expected to result in a recall of any product, substance or material produced, distributed or sold by or on behalf of the Business.

5.22. Absence of Certain Business Practices.

To the Knowledge of the Company, neither the Company or any Subsidiary nor any of its respective directors (or Persons in similar positions) or executive officers, acting alone or together, has: (a) received, directly or indirectly, any payments, commissions or any other economic benefits, regardless of their nature or type, from any customer, supplier, trading company, shipping company, governmental employee or other Person with whom the Company or any Subsidiary has done business; or (b) directly or indirectly, given or agreed to give any gift or similar benefit to any customer, supplier, trading company, shipping company, governmental employee or other Person with whom the Company or any Subsidiary has done business, except where such actions have not subjected, or would not reasonably be expected to subject the Company or any Subsidiary or any of its respective executive officers or directors (or Persons in similar positions) to any fine or penalty in any criminal or governmental litigation or proceeding.

5.23. Indebtedness.

Section 5.23 of the Disclosure Schedule sets forth a list (including each related Contract, the principal amount, the maturity date and the administrative agent or Person serving in a similar capacity thereunder) of all Indebtedness of the Company and each Subsidiary outstanding as of the date hereof. Neither the Company nor any Subsidiary is in material breach or default with respect to any of the Contracts listed in Section 5.23 of the Disclosure

Schedule (except for such breaches or defaults that would not reasonably be expected to be material to the operations of the Business) and, to the Knowledge of the Company, no other party thereto is in material breach or default with respect to any such Contract (except for such breaches or defaults that would not reasonably be expected to be material to the operations of the Business), and no event has occurred which, with due notice or lapse of time or both, would constitute such a default. Neither the Company nor any Subsidiary has received any written notice since December 31, 2003 of any material breach or default with respect to any such Contract which

remains uncured (except for such breaches or defaults that would not reasonably be expected to be material to the operations of the Business).

5.24. Securityholders' Agreement.

The Securityholders' Agreement has been duly executed and delivered by the Company and the Principal Sellers, and the Securityholders' Agreement constitutes the valid and binding obligation of the Company and the Principal Sellers, enforceable against each such Person in accordance with its terms, in each case subject to applicable bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally, general equitable principles, the discretion of courts in granting equitable remedies and matters of public policy.

5.25. Bankruptcy Matters.

The Company and each Subsidiary has complied with, and performed all of its obligations (including, without limitation, the effectuation of all distributions) under, the Bankruptcy Plans and the Confirmation Orders in all material respects. There are no material outstanding obligations (contingent or otherwise) under any Bankruptcy Plan or Confirmation Order. There are no pending or, to the Knowledge of the Company, threatened material disputes arising under, in connection with, with respect to or relating to any Bankruptcy Plan or Confirmation Order or the performance by the Company or any Subsidiary of its obligations thereunder.

5.26. Industrial Revenue Bond Matters.

The Company has made available to the Buyer true, accurate and complete copies of the Trust Indentures, the Bonds and the IRB Leases. The aggregate amount of all amounts payable under the IRB Leases by the Company or any Subsidiary to the City is less than or equal to the aggregate amount of all amounts payable under the Bonds by the City to the Company or any Subsidiary. Neither the Company nor any Subsidiary is in material breach or default of any its obligations under the IRB Leases, the Bonds or the Trust Indentures and, to the Knowledge of the Company, no other party to any of the IRB Leases, the Bonds or the Trust Indentures is in material breach or default thereunder, and no event has occurred which, with due notice or lapse of time or both, would constitute such a default. Neither the Company nor any Subsidiary has received any written notice since December 31, 2003 of any material breach or default under any of the IRB Leases, the Bonds or the Trust Indentures which remains uncured.

5.27. Brokers.

No Person acting on behalf of the Company or any Subsidiary or under the authority of any of the foregoing is or will be entitled to any brokers' or finders' fee or any other commission or similar fee with respect to which the Buyer, the Company or any Subsidiary will be liable in connection with any of the transactions contemplated by this Agreement.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE BUYER

As a material inducement to each Seller and the Company to enter into and perform its respective obligations under this Agreement, the Buyer hereby represents and warrants to each Seller and the Company as follows:

6.1. Incorporation and Good Standing.

The Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to conduct its business as presently conducted and to own and lease the properties and assets presently used in connection therewith.

6.2. Power and Authorization.

The Buyer has all requisite corporate power and authority to enter into and perform its obligations under this Agreement and under any other agreement, instrument or other document required to be delivered by the Buyer at the Closing that is set forth in Section 10.4 (the "Buyer Closing Documents"). The execution, delivery and performance by the Buyer of this Agreement and the

Buyer Closing Documents have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by the Buyer and constitutes the valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally, general equitable principles, the discretion of courts in granting equitable remedies and matters of public policy. At the Closing, the Buyer Closing Documents will be duly executed and delivered by the Buyer and, when executed and delivered at the Closing as contemplated herein, each of the Buyer Closing Documents will constitute the valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with its terms, in each case, subject to applicable bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally, general equitable principles, the discretion of courts in granting equitable remedies and matters of public policy.

6.3. Validity of Contemplated Transactions.

The execution, delivery and performance of this Agreement and the Buyer Closing Documents do not and will not (with or without the passage of time or the giving of notice): (i) violate or conflict with the certificate of incorporation or bylaws of the Buyer; or (ii) violate or conflict with any Law binding upon Buyer or violate or conflict with, result in a breach of, or constitute a default under any material agreement or other material obligation to which the Buyer is a party or by which the Buyer or its subsidiaries or any of their assets are otherwise bound or any Law, applicable to the Buyer, except, in each case, for such violations, conflicts, breaches or defaults as would not reasonably be expected to materially affect or delay the ability of the Buyer to perform its obligations under this Agreement or any Buyer Closing Document or consummate the transactions contemplated hereby or thereby.

6.4. Consents.

Except for filings under the HSR Act and applicable requirements of antitrust or other competition laws of other jurisdictions, no consent, authorization, waiver by or filing with any Governmental Entity, administrative body or other third party is required in connection with

the execution or performance of this Agreement, the Buyer Closing Documents or the Equity Investment Agreements by the Buyer or the consummation by the Buyer of the transactions contemplated hereby or thereby, except for such consents, authorizations, waivers or filings, as to which the failure to obtain would not reasonably be expected to materially affect or delay the Buyer's ability to perform its obligations under this Agreement, the Buyer Closing Documents or the Equity Investment Agreements or to consummate the transactions contemplated hereby or thereby, in each case in any material respect.

6.5. Litigation.

There are no Proceedings that have been commenced or, to the knowledge of the Buyer, threatened against the Buyer that challenge the validity of this Agreement or the transactions contemplated hereby or that may have the effect of preventing, delaying or impairing, or making illegal the transactions contemplated, or materially affecting the Buyer's ability to perform its obligations, hereunder or under the Buyer Closing Documents or to consummate the transactions contemplated hereby or thereby.

6.6. Sufficient Funds.

(a) As of the Closing Date, the Buyer will have sufficient funds to effect the Closing as contemplated hereby.

(b) As of the date hereof, the Buyer has (i) agreed to issue to Warburg Pincus, and Warburg Pincus has agreed to subscribe for and purchase, Three Hundred and Fifty Million Dollars ($350,000,000) of common stock and preferred stock of the Buyer (the "Equity Investment"), which amount, subject to the receipt by the Buyer of the Bank Consents, will be funded into escrow by Warburg Pincus not more than fifteen (15) Business Days after the date hereof pursuant to the terms of the Equity Investment Agreements, and (ii) received a letter (the "Financing Commitment Letter") from Citicorp USA, Inc., Citigroup Global Markets Inc. and Canadian Imperial Bank of Commerce confirming their commitments, on the terms and subject to the conditions thereof, to provide and arrange for the syndication of a senior secured credit facility in an aggregate principal amount of not less than One Billion and Fifty Million Dollars ($1,050,000,000) (the "Financing Commitments") in connection with the transactions contemplated hereby. As contemplated by the Equity Investment Agreements and the Financing Commitment Letter, the proceeds from the Equity Investment and the credit facilities described in the Financing Commitment Agreement will be used by the Buyer for the purposes of, among other things, consummating the transactions contemplated hereby, including the payment of the Purchase Price payable pursuant to Section 3.1. A true and complete copy of the Equity Investment Agreements and the Financing Commitment Letter have been delivered to the Company. Each of the Equity Purchase Agreement and the Financing Commitment Letter is in full force and effect and, upon the funding of the Equity Investment into escrow pursuant to the terms of the Equity Investment

Agreements, the Equity Escrow Agreement will be in full force and effect. Except for amendments and modifications agreed to in writing by the Majority Sellers in accordance with Section 7.15, none of the Equity Investment Agreements or the Financing Commitment Letter has been amended or modified in any respect.

(c) As of the date hereof, the Buyer knows of no circumstance or condition that may reasonably be expected to prevent the availability at the Closing of the requisite financing to consummate the transactions contemplated by this Agreement on the terms set forth herein, as provided in the Equity Investment Agreements or the Financing Commitment Letter.

6.7. Brokers.

No Person acting on behalf of the Buyer or any of its subsidiaries or under the authority of any of the foregoing is or will be entitled to any brokers' or finders' fee or any other commission or similar fee with respect to which the Company or any Seller will be liable in connection with any of the transactions contemplated by this Agreement.

SECTION 7. COVENANTS OF THE PARTIES UNTIL CLOSING

7.1. Conduct of Business Pending Closing.

Except as set forth in Section 7.1 of the Disclosure Schedule or as otherwise expressly provided in this Agreement, between the date hereof and the Closing, without the prior written consent of the Buyer, which consent shall not be unreasonably withheld or delayed, the Company shall, and shall cause each Subsidiary to, operate its respective business in the ordinary course consistent with past practices and shall, and shall cause each Subsidiary to, use commercially reasonable efforts to preserve intact its business organization and goodwill in all material respects, including, without limitation, the goodwill and relationships of the Company's and each Subsidiary's customers, suppliers, employees and vendors, and shall, and shall cause each Subsidiary to:

(a) maintain its respective existence, and discharge debts, liabilities and obligations as they become due, and operate in the ordinary course in a manner consistent with past practice and in compliance in all material respects with all applicable Laws and Contracts that are set forth on Section 5.14 of the Disclosure Schedule or, if entered into after the date hereof, would be required to be identified in Section 5.14 of the Disclosure Schedule if they were in effect on the date hereof, (including, in each case, any such Contracts with the Persons set forth in the Disclosure Schedule pursuant to Section 5.14(a));

(b) maintain its respective facilities and assets in substantially the same state of repair, order and condition as they were on the date hereof, reasonable wear and tear and damage by acts of God excepted;

(c) maintain its respective books and records in accordance with past practice and applicable Law (other than such changes as may be required by changes in applicable Law or GAAP) and use commercially reasonable efforts to maintain in full force and effect all authorizations and all insurance policies and binders; and

(d) file, when due or required, all material Tax Returns required to be filed (taking into account any extensions) and pay prior to delinquency all material Taxes, assessments, fees and other charges lawfully levied or assessed against them, unless the validity thereof is contested in good faith and by appropriate proceedings diligently conducted.

7.2. Negative Covenants.

Except as set forth in Section 7.2 of the Disclosure Schedule, as otherwise expressly provided in this Agreement or as required by applicable Law, between the date hereof and the Closing, without the prior written consent of the Buyer, which consent shall not be unreasonably withheld or delayed, the Company shall not, and shall cause each Subsidiary not to:

(a) other than (i) issuances and transfers of capital stock or other equity securities and dividends or distributions by any Wholly Owned Subsidiary to the Company or to any other Wholly Owned Subsidiary of the Company, (ii) issuances of shares of Company Common Stock, Sunbeam Common Stock or Coleman Common Stock upon the exercise or conversion of the Convertible Securities, (iii) grants of Options to employees of the Company or its Subsidiaries, and (iv) transfers or issuances of directors' qualifying shares or nominee holders' shares, make any change in the Company's or such Subsidiary's authorized or issued capital stock or other equity securities, grant any option, warrant or other right to purchase or otherwise acquire any equity securities of the Company or any Subsidiary, issue or make any security convertible into capital

stock, grant any registration rights, or purchase, redeem, retire or make any other acquisition of any shares of capital stock or other equity securities, declare or pay any dividend or other distribution upon any shares of capital stock or on any equity securities;

(b) amend (as applicable) the articles or certificate of incorporation, bylaws, articles or certificate of formation or organization, limited liability company or operating agreement, partnership agreement or other organizational document of the Company or any Subsidiary, except, in the case of any Subsidiary that is incorporated or organized (as applicable) under the laws of a country other than the United States, in connection with internal restructurings and Tax planning;

(c) fail to pay or discharge when due any material liability or obligation of the Company or any Subsidiary, except any such liability or obligation that shall be contested in good faith;

(d) make, enter into, amend in any material respect, renew, extend or terminate any Contract required to be set forth in Section 5.14 of the Disclosure Schedule, other than (i) in the ordinary course of business, (ii) renewals of current insurance policies of the Company or its Subsidiaries consistent with past practice, or (iii) compensation, perquisites and other employee benefits currently in effect or otherwise permitted by Section 7.2(j) or Section 13.2 or set forth in Section 7.2(j) or Section 13.2 of the Disclosure Schedule;

(e) enter into any Contract with any Seller or any Affiliate of any stockholder of the Company who is an individual and who owns of record more than 1% of the outstanding shares of Company Common Stock, other than in connection with the transactions contemplated hereby and compensation, perquisites and other employee benefits in effect as of the date of the Interim Balance Sheet or otherwise permitted by Section 7.2(j);

(f) make any material change in the conduct of the Business;

(g) make any sale, assignment, transfer, abandonment or other conveyance of assets of the Company or any Subsidiary or any part thereof (including the factoring of accounts receivable) that are material to the operations of the Company or any Material Division, except (i) transactions pursuant to existing Contracts set forth in Section 5.14 of the Disclosure Schedule, (ii) dispositions of inventory or worn-out or obsolete equipment and machinery, in each case in the ordinary course of business and consistent with past practice, (iii) facilities and equipment and machinery located thereat not used or usable in the Business and (iv) transfers of assets among the Company and/or its Subsidiaries;

(h) subject any of the assets of the Company or any Subsidiary, or any part thereof, to any Encumbrance, other than (i) Permitted Encumbrances, (ii) such Encumbrances as may arise under Contract governing the Indebtedness in effect on the date hereof, or (iii) as may arise in the ordinary course of business consistent with past practice, or by operation of Law;

(i) acquire any assets, raw materials or properties other than (i) in the ordinary course of business and consistent with past practice, or (ii) in an amount not to exceed $1,500,000 for any one transaction or series of related transactions;

(j) (i) enter into any new (or materially amend any existing) Plan, (ii) enter into any employment, severance or consulting agreement with, or grant any increase in the compensation payable or to become payable to, any stockholder, director (or Person in a similar position), officer or employee, in any such case who earns compensation (in its capacity as such) in excess of $75,000 per annum (including any such increase pursuant to any Plan), in each case, except (A) in accordance with pre-existing contractual provisions, (B) retention or severance payments, not in excess of $250,000 in the aggregate, made in connection with the transactions contemplated hereby (other than to those individuals receiving a portion of the Retention Payments, as set forth in Section 13.2(g) of the Disclosure Schedule) and (C) grants of Options to employees of the Company or its Subsidiaries, or (iii) terminate the employment of the Chief Executive Officer of any of the Company, Coleman or Sunbeam or any of his or her direct reports or (iv) establish any performance period commencing on or after the date hereof, or grant any awards with respect to any performance period commencing on or after the date hereof, in each case pursuant to the Company's Key Executive Long Term Incentive Plan or the Company Management Incentive Plan;

(k) except (i) revaluations of assets as required by and in accordance with GAAP or (ii) in the ordinary course of business and consistent with past practice, make any material revaluation of any of the assets, including, without limitation, writing off or writing down the value of notes, accounts receivable or inventory;

(l) make, change or revoke, or permit to be made, changed or revoked, any material election or method of accounting with respect to material Taxes of the Company or any Subsidiary, except as required by law (in which case, the Buyer's consent is not required but the Company shall notify the Buyer thereof

not less than two (2) Business Days prior to making, changing or revoking any such election);

(m) enter into, or permit to be entered into, any closing or other agreement or settlement of any audit, suit, action, proceeding, claim or assessment with respect to material

Taxes affecting or relating to the Company or any Subsidiary or file any material amended Tax Return for or on behalf of the Company or any Subsidiary, except as required by law (in which case, the Buyer's consent is not required but the Company shall notify the Buyer thereof not less than two (2) Business Days prior to any such entry into any such closing or other agreement or settlement);

(n) settle, release or forgive any claim or litigation in an amount greater than $250,000, provided that if after the submission (in writing) of any such settlement, release or forgiveness by the Company to the Buyer for its consideration pursuant to this Section 7.2(n), the Buyer refuses to grant its consent to any such settlement, release or forgiveness and the Company or any Subsidiary is finally adjudicated by a court of competent jurisdiction to pay any amounts in respect of such matters so submitted to the Buyer for its consent in excess of the amounts therefor rejected by the Buyer, the Buyer shall pay to the Sellers an amount equal to such excess, which amount, if determined prior to the Closing, shall be added to the Purchase Price or, if determined after the Closing, shall be credited by the Buyer to the Holdback Amount (it being understood that, if at such time, the Holdback Amount has been released to the Sellers as contemplated hereby, such amount shall be paid directly to the Sellers in accordance with their respective Proportionate Interests);

(o) other than any Lease for an outlet discount retail store located in the United States, amend or terminate any Lease, or enter into any Lease, sublease or occupancy agreement or assign or sublet any existing Lease, sublease or occupancy agreement, in any such case that (i) has a term of more than nine (9) months or (ii) provides for payments thereunder by the Company or any Subsidiary of more than $1,000,000 in the aggregate;

(p) make any distributions or payments to any Seller, except (i) in the ordinary course of business and consistent with past practice or in accordance with existing contractual arrangements set forth in Section 5.19 of the Seller Disclosure Schedule, (ii) compensation, perquisites and other employee benefits currently in effect or otherwise permitted by Section 7.2(j) or Section 13.2; or (iii) as required by the Indenture, dated as of December 18, 2002, between the Company, the guarantors party thereto and The Bank of New York, as trustee (the "Trustee"), as amended by the First Supplemental Indenture, dated as of April 24, 2003, between the Company, the guarantors party thereto and the Trustee, and the Second Supplemental Indenture, dated as of June 30, 2003, between the Company, the guarantors party thereto and the Trustee;

(q) make any change in the accounting principles or policies of the Company or any Subsidiary (including with respect to inventory, receivables or Cash collections), except as required by applicable Law or GAAP;

(r) except as contemplated by the capital expenditure plan contained in the July Forecast, make (in a single transaction or a series of transactions) any capital expenditures in excess of (i) with respect to any such capital expenditures relating to the information systems (including, without limitation, computer hardware and software) used by the Company or any Subsidiary, $250,000 and (ii) with respect to such capital expenditures not contemplated by the immediately preceding clause (i), $750,000, including any additions to property, plant and equipment used in the operations of the Business, other than (A) in the ordinary course of

business and consistent with past practice, (B) to the extent required to comply with applicable Laws and (C) repairs and/or replacements of machinery and equipment used in the Business in the event of unexpected failure or breakdown thereof;

(s) approve an annual budget with respect to the operations of the Company or any Subsidiary;

(t) take any action to terminate the business relationship or cease conducting business with any of the customers and suppliers set forth in Section 5.14(a) of the Disclosure Schedule, other than in the ordinary course of business;

(u) other than in the ordinary course of business, repay to the Company or any Subsidiary any indebtedness owed thereto by any other Subsidiary that is not organized under the laws of any jurisdiction of the United States; or

(v) agree or commit to do any of the foregoing.

7.3. Access.

The Buyer and its respective officers, directors, attorneys, accountants and representatives, and the Buyer's financing sources and their respective officers, directors, partners, members, attorneys, accountants and representatives, shall be permitted to examine the property, books and records of the Company and each Subsidiary, and such officers, directors, attorneys, accountants and representatives shall be afforded reasonable access during normal business hours to such property, books and records (and to the Properties for the purposes of, among other things, testing or other assessments, at the Buyer's sole option, of soil, groundwater, structural and mechanical components, tanks or other conditions), upon reasonable prior notice and the Company shall promptly make available to the Buyer all other information concerning the Business, its properties and its personnel as the Buyer may reasonably request; provided, however, that any such access shall be conducted at the Buyer's expense, under the reasonable supervision of the Company's personnel and in such a manner as to maintain the confidentiality of such information and not to unreasonably interfere with the normal operation of the business of the Company or its Subsidiaries. Notwithstanding anything to the contrary contained in this Agreement, none of the Company, any Subsidiary or any Seller shall have any obligation to disclose any information to the Buyer if such disclosure would (a) result in a material breach of any agreement to which the Company, such Subsidiary or such Seller is a party or is otherwise bound, (b) reasonably be expected to jeopardize any attorney-client or other legal privilege of the Company, such Subsidiary or such Seller, or (c) result in a violation of any Laws or fiduciary duties applicable to the Company, such Subsidiary or such Seller. The information contained in the Disclosure Schedule or delivered to the Buyer or its authorized representatives pursuant hereto shall be subject to the Confidentiality Agreement, and, for that purpose and to that extent, the terms of the Confidentiality Agreement are incorporated herein by reference.

7.4. Consents; Cooperation; Notice.

(a) Prior to the Closing, the Company and the Buyer shall use commercially reasonable efforts to obtain all consents, permits, approvals of, and exemptions by, any Governmental Entity and all consents of any third party, in each case, necessary for the

consummation of the transactions contemplated by this Agreement. Each of the parties hereto shall diligently assist and cooperate in preparing and filing all documents required to be submitted to any Governmental Entity in connection with such transactions and in obtaining any consents, waivers, authorizations or approvals which may be required to be obtained in connection with such transactions.

(b) If the Company, any Principal Seller or the Buyer becomes aware of any Proceeding, including any proceeding by a Governmental Entity or private party, that is instituted (or threatened to be instituted) challenging this Agreement or any transaction contemplated by this Agreement, as violative of any Law or otherwise (a "Challenge"), each such party shall notify the other of such parties thereof promptly after becoming so aware of such Challenge. Each of the parties hereto shall cooperate in all reasonable respects with each other and use its respective commercially reasonable efforts in order to contest and resist any Challenge and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement.

(c) The Company shall notify the Buyer in writing promptly (but in no event more than five (5) Business Days) after the Company has Knowledge of any actual or asserted violation of or noncompliance with applicable Law by the Company or any Subsidiary that is (i) material to the operations of the Company or any Material Division and (ii) not set forth in the Disclosure Schedule.

(d) The Company shall, and shall cause each Subsidiary to, assist and cooperate with the Buyer as reasonably requested by the Buyer in connection with (i) the Buyer consummating the transactions contemplated by the Equity Investment Agreements and the Financing Commitment Letter or otherwise for the Buyer to satisfy its obligations under Section 7.15, including, without limitation, in connection with the preparation and delivery of any disclosure schedules and other information, documents, instruments, securities and materials relating to the Company and/or any Subsidiary (each in such form and substance) that shall be necessary for the effectuation of such transactions, and (ii) the preparation and filing by the Buyer of any filings (including any proxy statement) required to be made by the Buyer with the Securities and Exchange Commission or pursuant to applicable Law or securities exchange rules with respect to the transactions contemplated by this Agreement.

(e) Prior to Closing, the Company shall consult with, and consider the views of, the Buyer prior to making any increase in the respective aggregate amounts reserved with respect to Environmental Damages and Litigation Damages from the amounts reflected on the Interim Balance Sheet.

7.5. HSR Act.

The Company and the Buyer each undertakes and agrees to promptly file a Notification and Report Form under the HSR Act with the United States Federal Trade Commission (the "FTC") and the United States Department of Justice, Antitrust Division (the "Antitrust Division"), and to make any other applicable competition filing or notifications required by any other Governmental Entity (including under foreign competition Laws) as

promptly as practicable. The Company and the Buyer each shall (as applicable): (a) respond in a commercially reasonable manner and as promptly as practicable to any formal or informal inquiries received from the FTC or the Antitrust Division for additional information or documentary materials, and to all inquiries and requests received from any State Attorney General or other Governmental Entity in connection with antitrust or competition matters; (b) take all commercially reasonable steps to seek early termination of any applicable waiting period under the HSR Act or any similar Laws and to obtain all required approvals; and (c) refrain from entering into any agreement with the FTC or the Antitrust Division or any Governmental Entity not to consummate or delay consummation of or to give notice of consummation, other than as required by Law, of the transactions contemplated by this Agreement, except with the prior written consent of the Buyer, on the one hand, and the Company and the Majority Sellers, on the other hand (which consent shall not be unreasonably withheld or delayed). Each party hereto shall promptly notify each other party hereto of any written or oral communication to that party from the FTC, the Antitrust Division, any State Attorney General or any other Governmental Entity and shall permit the Buyer, on the one hand, and the Company and the Majority Sellers, on the other hand, or their respective counsel to review in advance any proposed written communication or response to any of the foregoing; provided, however, that no party hereto shall be required to disclose to any other party hereto or its counsel any information that such disclosing party deems to be competitively or commercially sensitive thereto. In connection with the receipt of any necessary approvals under the HSR Act and any foreign competition Laws, the Buyer shall propose, negotiate and cooperate with the Company and the Majority Sellers to effect prior to the Closing Date, by consent decree, hold separate order or otherwise, the sale, divestiture or disposition of such assets or businesses of the Buyer and its subsidiaries or the Company and the Subsidiaries (in either case in an amount not to exceed, in the aggregate, the value of 5% of the aggregate assets of the Business), or otherwise take any action that reasonably limits the freedom of action with respect to any of the businesses, product lines, or assets of any of the Buyer, the Buyer's subsidiaries, the Company or the Subsidiaries, as may be required in order to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order, or other order in any Proceedings, which would otherwise have the effect of preventing or materially delaying the consummation of the transactions contemplated hereby.

7.6. No Solicitation.

(a) Neither any Seller, the Company nor any Subsidiary shall, and each of the foregoing shall not allow any Person acting on its behalf to, directly or indirectly, continue, initiate or participate in discussions or negotiations with, or provide any nonpublic information to, any Person (other than the Buyer and its representatives in connection with the transactions contemplated by this Agreement) concerning any sale of a material portion of the assets used in the operations of the Business (other than in the ordinary course of its business and consistent with past practice or in accordance with Section 7.2) or any securities of the Company (including, without limitation, the Purchased Securities) or any Subsidiary (other than issuances of shares of Common Stock, Sunbeam Common Stock, Coleman Common Stock, First Alert/Powermate Common Stock upon exercise of Options or First Alert/Powermate Options in accordance with their respective terms) or any merger, consolidation, recapitalization, liquidation or similar transaction involving the Company or any Subsidiary and any other third party (collectively, an "Acquisition Transaction").

(b) Each Seller and the Company shall, and the Company shall cause each Subsidiary to, promptly communicate to the Buyer the terms of any proposal that it may receive after the date of this Agreement in respect of an Acquisition Transaction. Any notification under this Section 7.6 shall include the identity of each Person making such proposal, the terms of such proposal and any other information with respect thereto as the Buyer may request.

(c) The Company and each Seller hereby agree that a monetary remedy for a breach of the agreements set forth in this Section 7.6 will be inadequate and impracticable, and that any such breach would cause the Buyer and its Affiliates irreparable harm. In the event of a breach of this Section 7.6, in addition to any other remedies available to the Buyer, prior to the Closing, the Buyer shall be entitled to seek equitable remedies in a court of competent jurisdiction, including, without limitation, the equitable remedy of specific performance with respect to the transactions set forth in this Agreement, and shall be entitled to such injunctive relief, including temporary restraining

orders, preliminary injunctions and permanent injunctions, as a court of competent jurisdiction shall determine. If the Closing shall occur, the Buyer shall not be entitled to any remedy for any breaches of this Section 7.6 that may have occurred; provided, however, that all expenses incurred by the Buyer to enforce the Sellers' obligations contained in this Section 7.6 shall be deemed Pre-Closing Company Expenses, and shall be subject to the provisions of this Agreement applicable to the Pre-Closing Company Expenses.

7.7. Interest in Purchased Securities.

From and after the date hereof until the termination of this Agreement, without the prior written consent of the Buyer, which consent shall not unreasonably be withheld or delayed, no Seller shall in any manner sell, assign, convey, transfer, lease, pledge, mortgage or dispose of, or otherwise take any action that may result in the incurrence or suffering of any Encumbrance on or relating to, any Purchased Securities or Convertible Securities (including any shares of Company Common Stock issuable upon the exercise or conversion thereof), other than transfers to the Company in connection with the exercise, conversion or cancellation of Convertible Securities.

7.8. Estimated Closing Adjustment Amount.

Not less than two (2) Business Days prior to the Closing Date, the Company shall deliver to the Buyer a good faith estimate of the Closing Date Adjustment Amount (the "Estimated Closing Adjustment Amount"). The Buyer may seek to adjust the Estimated Closing Adjustment Amount pursuant to the procedures set forth in Section 3.2, and any such adjustment and corresponding adjustment, if any, to the Purchase Price will be governed by such procedures set forth in such Section 3.2.

7.9. Indebtedness.

(a) Not less than ten (10) Business Days prior to the Closing Date, the Buyer shall notify the Company in writing of the outstanding Indebtedness (the "Surviving Indebtedness") that shall remain outstanding as of the Closing; provided, however, that in no event shall the 7.5% Payment-in-Kind Second Priority Secured Notes due 2009 of the Company be "Surviving Indebtedness" or remain outstanding from and after the Closing.

(b) The Company shall obtain and deliver to the Buyer not less than two (2) Business Days prior to the Closing Date, to the reasonable satisfaction of the Buyer's lenders, payoff letters and other written documentation evidencing the complete and irrevocable release, as of the Closing Date and after giving effect to the payments contemplated by such payoff letters, of the Company and each Subsidiary from any and all obligations and Encumbrances under or in connection with any Indebtedness (other than the Surviving Indebtedness), including, without limitation, the release of all liens or security interests upon or in any of the respective properties and assets of the Company or any Subsidiary, and any guaranties by the Company or any Subsidiary, arising under or in connection with such Indebtedness.

7.10. Monthly Financials.

The Company shall deliver to the Buyer on a monthly basis, and as soon as they are available (but not later than the last day of each successive calendar month), prior to the Closing Date such internally generated monthly financial statements and related information (the "Monthly Statements") as are prepared and delivered to General Electric Capital Corporation, a Delaware corporation ("GECC"), pursuant to the Credit Agreement among GECC, the Company and certain of its Subsidiaries, dated December 18, 2002, as amended, substantially at the same time provided to GECC.

7.11. Exercise of Rights Under Securityholders' Agreement.

Promptly (but not more than thirty (30) days) after the date hereof, the Sellers shall, pursuant to and in accordance with Section 3.7 of the Securityholders' Agreement, (a) deliver a notice in respect of the transactions contemplated hereby to all Securityholders (other than the Sellers) in the form of Exhibit I and (b) exercise their respective rights thereunder with respect to the transactions contemplated hereby. Thereafter, the Sellers shall (i) deliver all other notices in respect of the transactions contemplated hereby that shall be required (if any) to be given under Section 3.7 of the Securityholders' Agreement, and (ii) continue to exercise their respective rights under Section 3.7 of the Securityholders' Agreement with respect to the transactions contemplated hereby.

7.12. Inventory.

The Company shall perform such physical count of the majority of inventory of the Business during December 2004, or in some cases in November 2004 or October 2004, consistent with past practice and as required for purposes of the 2004 financial audit. The Buyer may, at its discretion, observe such physical inventory being taken. The Company shall promptly notify the Buyer in writing of the results of such physical count.

7.13. Indemnity.

(a) Effective as of the Closing, the Buyer shall, or shall cause the Company to, purchase, and shall cause the Company to, continue to maintain in effect, without any lapses in coverage, policies of directors' and officers' liability insurance (or a "tail" policy) covering a period of six years from the Closing Date for the benefit of those Persons who are covered by the Company's or its Subsidiaries' directors' and officers' liability insurance policies as of the date hereof or at the Closing, providing coverage with respect to matters occurring prior to the

Closing that is at least equal to the coverage provided under the Company's or its Subsidiaries' current directors' and officers' liability insurance policies. The full premium for such six-year period for such insurance (the "D&O Premium") shall be paid in full by the Company at or prior to the Closing and shall be treated as a Pre-Closing Company Expense in accordance with the terms hereof. The limits of such tail policy shall be independent of any other limits of insurance purchased by the Buyer, the Company or their Subsidiaries.

(b) Effective as of the Closing and until the sixth anniversary of the Closing Date, the Buyer shall, and shall cause the Company and its Subsidiaries to: (i) continue to indemnify and hold harmless each of the Company's and its Subsidiaries' present and former directors and officers, in their capacities as such, from and against all damages, costs and expenses incurred or suffered in connection with any threatened or pending Proceeding at law or in equity by any Person or any arbitration or administrative or other proceeding relating to the Business, the Company or its Subsidiaries or the status of such individual as a director or officer of the Company or any Subsidiary at or prior to the Closing, to the fullest extent permitted by any applicable Law; and (ii) retain or include in the certificate of incorporation and by-laws of the Company and the comparable organizational documents of the Subsidiaries any indemnification provision or provisions, including provisions with respect to the advancement of expenses, in each case to the extent in effect immediately prior to the Closing, for the benefit of (as applicable) the Company's and its Subsidiaries' directors, officers, employees and agents, and shall not thereafter amend the same (except to the extent that such amendment preserves, increases or broadens the indemnification or other rights theretofore available to such directors, officers, employees and agents). If the Buyer and/or Company merges into, consolidates with or transfers all or substantially all of its assets to another Person, then and in each such case, the Buyer shall, and/or shall cause the Company to, make proper provision so that the surviving or resulting corporation or the transferee in such transaction shall assume the obligations under this Section 7.13. The obligations set forth in this Section 7.13 shall continue for a period of six (6) years following the Closing and shall continue in effect thereafter with respect to any action, suit or proceeding commenced prior to the sixth anniversary of the Closing Date, and is intended to benefit (as applicable) each director, officer, employee or agent of the Company or any Subsidiary who has held such capacity on or prior to the Closing Date and is either a party to an indemnification agreement with the Company or any of its Subsidiaries or now or hereafter is entitled to indemnification or advancement of expenses pursuant to any provisions contained in the certificate of incorporation or by-laws of the Company or the comparable organizational documents of any of the Subsidiaries as of the date hereof.

7.14. Retention of Accountant.

If not formally retained as of the date hereof, not later than October 10, 2004, the Company shall retain Deloitte & Touche LLP as registered public accountants to the Company to audit the Company's consolidated balance sheet at December 31, 2004 and the related consolidated statements of operations, shareholders' equity and cash flows at and for the fiscal year ending December 31, 2004, including in each case notes thereto, of the type that would be required to be included with such statements to satisfy the requirements of Regulation S-X promulgated by Securities and Exchange Commission. The Company shall use its commercially reasonable efforts to cause the agreement pursuant to which such engagement is effected to provide for such audit to be completed on or before February 28, 2005, which provision shall not

be amended or modified to provide for any later date for such completion without the prior written consent of the Buyer.

7.15. Financing.

Notwithstanding any other provision of this Agreement, the Buyer shall use its commercially reasonable efforts to cause the Equity Investment and the Financing Commitments to be fulfilled in accordance with their terms. The Buyer shall use its commercially reasonable best efforts to obtain the Bank Consents within fifteen (15) Business Days after the date hereof, and if such Bank Consents are not so obtained within fifteen (15) Business Days after the date hereof, the Buyer shall continue to use its commercially reasonable best efforts to obtain the Bank Consents as promptly as practicable thereafter. No amendments

to or modifications, terminations or cancellations of the terms and conditions of the Financing Commitment Letter or the Equity Investment Agreements (except for any amendment or modification that would not be reasonably expected to affect the certainty of Closing or materially delay the consummation of the Closing) shall be made by the Buyer without the prior written consent of the Majority Sellers, which consent shall not be unreasonably withheld or delayed. The Buyer shall not deliver any written instructions to the Equity Escrow Agent pursuant to the Equity Escrow Agreement instructing the Equity Escrow Agent to release the funds deposited into escrow under the Equity Escrow Agreement, other than in connection with Closing or the termination of this Agreement in accordance with the terms hereof, without the prior written consent of the Majority Sellers, which consent shall not be unreasonably withheld or delayed. The Buyer shall promptly notify the Company and the Principal Sellers in writing of any fact or occurrence of which the Buyer becomes aware that would reasonably be expected to cause any conditions to the financing provided for by the Financing Commitment Letter or the Equity Investment Agreements not to be satisfied. In the event that any or all of the borrowings or amounts provided pursuant to the Equity Investment Agreements or to be provided pursuant to the Financing Commitment Letter are unavailable for any reason in amounts sufficient to permit consummation of the transactions contemplated hereby, including the payment of the Purchase Price on the terms contemplated hereby, the Buyer shall use its commercially reasonable efforts to obtain, and the Company and the Principal Sellers shall use their respective commercially reasonable efforts to assist the Buyer in obtaining, replacement financing from alternative sources on terms and conditions that are commercially reasonable (it being understood and agreed, however, that none of the Sellers shall have any obligation to offer to provide all or any portion of such financing).

7.16. Public Statements.

Except for the joint press release attached hereto as Exhibit J, which is being issued by the parties as of the date hereof, and except as required by applicable Law or securities exchange rules, in which event the parties shall consult with each other in advance, prior to the Closing Date, no press release or other public announcement (if materially different than those previously made) relating to the transactions contemplated by this Agreement shall be issued, made or permitted to be issued or made by any party to this Agreement or its representatives without prior consultation among the Buyer and the Company.

7.17. Interest in Subsidiaries.

Upon the request of the Buyer at any time prior to the Closing, the Company shall provide to the Buyer a list setting forth the following with respect to each Subsidiary: (a) if such Subsidiary is a corporation, (a) the number of shares of authorized capital stock of each class or series of its capital stock, (b) the number of issued and outstanding shares of each class or series of its capital stock and (c) the number of shares of its capital stock held in treasury; and (b) if such Subsidiary is not a corporation, (i) the amount of each class or series of its authorized equity interests and (i) the amount of issued and outstanding interest of each class or series of its equity interests.

7.18. Adjusted EBITDA Certificate.

Not less than ten (10) Business Days prior to the Closing Date, the Company shall deliver to the Buyer a certificate (the "Adjusted EBITDA Certificate"), executed by the Chief Financial Officer of the Company, certifying as to the Adjusted EBITDA Amount for the twelve (12) month period ending on December 31, 2004. Without limiting the generality of the provisions of Section 7.3, the Company shall make available to the Buyer and its representatives access to the work papers used by the Company to prepare the Adjusted EBITDA Certificate and to such other books, records and information as the Buyer may reasonably request for the purpose of verifying the accuracy of the Adjusted EBITDA Amount so certified.

SECTION 8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

Unless waived by the Buyer, the obligation of the Buyer to consummate the transactions contemplated hereunder is subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

8.1. Representations and Warranties.

(a) The representations and warranties of the Company contained in this Agreement that are qualified as to materiality or Material Adverse Effect shall be true and correct, and the representations and warranties of the Company in this Agreement that are not so qualified shall be true and correct in all material respects, in each case as of the date hereof, and, except to the extent such representations and warranties refer to a specific date, as of the Closing Date as though made on the Closing Date; provided, however, that this condition shall be deemed satisfied unless the failure or failures of such representations and warranties to be so true and correct (disregarding for this purpose all qualifications in such representations and warranties relating to materiality or Material Adverse Effect) in the aggregate would have a Material Adverse Effect.

(b) The representations and warranties of each Seller contained in

this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of the Closing Date (except for representations and warranties (i) made as of a specified date, which shall be true and correct in all material respects as of the specified date, and (ii) containing materiality qualification, which, giving effect to such qualification, shall be true and correct in all respects).

8.2. Performance of Covenants.

(a) The Company shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it at or prior to the Closing.

(b) Each Seller shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it at or prior to the Closing.

8.3. Approvals.

(a) All waiting periods applicable under the HSR Act shall have expired or been terminated; and

(b) All material consents, authorizations, approvals of, and expirations of waiting periods imposed by, any Governmental Entity, the failure of which to obtain or occur would make the consummation of the transactions contemplated hereby illegal, shall have been obtained or shall have occurred.

8.4. Legal Matters.

No preliminary or permanent injunction or other judgment, order or decree issued by a court of competent jurisdiction which prevents the consummation of the transactions contemplated hereby shall have been issued and remain in effect, and no statute, rule or regulation shall have been enacted, promulgated or enforced by any Governmental Entity which makes the consummation of the transactions contemplated hereby illegal; provided, however, that the parties shall use their respective reasonable best efforts to have any temporary or preliminary order or injunction lifted.

8.5. No Material Adverse Effect.

From the date of this Agreement to the Closing Date, there shall have not occurred any condition, event or effect that has had or would reasonably be expected to result in a Material Adverse Effect (it being understood that the satisfaction of the condition set forth in Section 8.7, and the performance of the Company and the Subsidiaries in connection with the satisfaction of such condition, shall not be taken into consideration in determining whether the condition set forth in this Section 8.5 has been satisfied).

8.6. Minimum Share Amount.

The Sellers shall have delivered to the Buyer (subject to the payment by the Buyer of the applicable Per Share Purchase Price therefor payable at the Closing as provided herein) Purchased Securities representing not less than ninety percent (90%) of the outstanding shares of Company Common Stock.

8.7. Adjusted EBITDA Amount.

The Adjusted EBITDA Amount for the twelve (12) month period ending on December 31, 2004 shall be not less than the Adjusted EBITDA Target Amount.

SECTION 9. CONDITIONS PRECEDENT TO THE SELLERS' AND THE COMPANY'S OBLIGATIONS

Unless waived by the Majority Sellers, the obligation of any Seller to consummate the transactions contemplated hereunder is subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

9.1. Representations and Warranties.

The representations and warranties of the Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of the Closing Date (except for representations and warranties (i) made as of a specified date, which shall be true and correct in all material respects as of the specified date, and (ii) containing a materiality qualification, which, giving effect to such materiality qualification, shall be true and correct in all respects).

9.2. Performance of Covenants.

The Buyer shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be so performed or complied with by it at or prior to the Closing.

9.3. Approvals.

(a) All waiting periods applicable under the HSR Act shall have expired or been terminated; and

(b) All material consents, authorizations, approvals of, and expirations of waiting periods imposed by, any Governmental Entity, the failure of which to obtain or occur would make the consummation of the transactions contemplated hereby illegal, shall have been obtained or shall have occurred.

9.4. Legal Matters.

No preliminary or permanent injunction or other judgment, order or decree issued by a court of competent jurisdiction which prevents the consummation of the transactions contemplated hereby shall have been issued and remain in effect, and no statute, law or regulation shall have been enacted, promulgated or enforced by any Governmental Entity which makes the consummation of the transactions contemplated hereby illegal; provided, however, that the parties shall use their respective reasonable best efforts to have any temporary or preliminary order or injunction lifted.

SECTION 10. CLOSING

10.1. Time and Place of Closing.

The closing of the purchase and sale of the Purchased Securities (the "Closing") pursuant to this Agreement shall take place at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, five (5) Business Days following the satisfaction of the conditions set forth in Sections 8.3 and 9.3 (subject to satisfaction or waiver of the conditions to the Closing set forth in Section 8 and Section 9), or at such other date, time or place as may be agreed to by the Buyer and the Majority Sellers (the date on which the Closing occurs, the "Closing Date").

10.2. Deliveries at the Closing by the Sellers.

At the Closing, in addition to the other actions contemplated elsewhere herein, the Sellers shall deliver or cause to be delivered to the Buyer:

(a) from each Seller, stock certificates evidencing the Purchased Securities to be purchased from such Seller at the Closing (as set forth on Schedule I attached hereto), free and clear of all Encumbrances, accompanied by a power duly executed in blank and sufficient to convey to the Buyer good and valid title in and to such Purchased Securities;

(b) from each Principal Seller, a certificate, dated the Closing Date, executed by a duly authorized officer of such Principal Seller, certifying with respect to such Principal Seller as to the satisfaction of the conditions to the Buyer's obligation to effect the Closing under Sections 8.1(b) and 8.2(b); and

(c) from each Seller (as applicable), an IRS Form W-9 or the appropriate IRS Form W-8, duly executed by such Seller.

10.3. Deliveries at the Closing by the Company.

At the Closing, in addition to the other actions contemplated elsewhere herein, the Company shall deliver or cause to be delivered to the Buyer:

(a) a certificate, dated the Closing Date, executed, on behalf of the Company, by the Secretary or an Assistant Secretary of the Company certifying as of the Closing Date the following: (i) copies of the certificate of incorporation of the Company, as certified by the appropriate Governmental Entity as of a date not more than thirty (30) days prior to the Closing Date, and all amendments thereto; (ii) copies of the bylaws of the Company, as amended; (iii) copies of resolutions of the board of directors of the Company authorizing the execution and delivery of this Agreement and any other agreement, instrument or other document necessary for the Company to consummate the transactions contemplated hereby; and (iv) the name, title and incumbency of, and bearing the signatures of, the officers of the Company authorized to execute and deliver this Agreement and any other agreement, instrument or document necessary for the Company to consummate the transactions contemplated hereby;

(b) a certificate, dated the Closing Date, executed by a duly authorized officer of the Company, certifying as to the satisfaction of the conditions to the Buyer's obligation to effect the Closing under Sections 8.1(a) and 8.2(a); and

(c) a certificate, dated the Closing Date, which is in a form reasonably acceptable to the Buyer, duly executed by the Company in accordance with Treasury Regulation (ss). 1.897.2(h), and certifies that the Company is not

and has not been a "U.S. real property holding corporation" (as defined in Section 897(c)(2) of the Code) at any time during the five years preceding the date of the certificate (or shorter period as may be specified by Section 897(c)(1)(A)(ii) of the Code) and (ii) a letter to the Internal Revenue Service, dated the Closing Date, which is in a form reasonably acceptable to the Buyer, duly executed by the Company in accordance with Treasury Regulation (ss). 1.897-2(h)(2), and contains the information required by Treasury Regulation (ss). 1.897-2(h)(2).

10.4. Deliveries at the Closing by the Buyer.

At the Closing, in addition to the other actions contemplated elsewhere herein, the Buyer shall deliver or cause to be delivered:

(a) to the Sellers, in accordance with Section 3.l(b), the Purchase Price, by wire transfer of immediately available funds to accounts respectively designated in writing by the Sellers (or by check, to any Seller who fails to specify wire transfer instructions to its account);

(b) to the Option holders, in accordance with Section 3.5, the Aggregate Option Consideration;

(c) to the Principal Sellers, a certificate (which certificate may be relied upon by all of the Sellers), dated the Closing Date, executed, on behalf of the Buyer, by the Secretary or an Assistant Secretary of the Buyer certifying as of the Closing Date the following: (i) copies of resolutions of board of directors of the Buyer authorizing the execution and delivery of this Agreement and any other agreement, instrument or other document necessary to consummate transactions contemplated hereby; and (ii) the name, title and incumbency of, and bearing the signatures of, the officers of the Buyer authorized to execute and deliver this Agreement and any other agreement, instrument or document necessary to consummate the transactions contemplated hereby; and

(d) to the Sellers, a certificate, dated the Closing Date, executed by a duly authorized officer of the Buyer, certifying as to the satisfaction of the conditions to the Sellers' obligation to close under Sections 9.1 and 9.2.

10.5. Indebtedness Payoff.

For the avoidance of doubt, in the event that at or immediately after the Closing, the Buyer causes the Company to pay an amount (the "Pay-Off Amount") equal to the outstanding Indebtedness (other than the Surviving Indebtedness) to the lenders in respect of such Indebtedness, (a) the Buyer shall be deemed to have contributed to the capital of the Company an amount equal to the Pay-Off Amount, and (b) the Company shall be deemed to

have remitted the Pay-Off Amount to each such lender in order to satisfy such Indebtedness. The Company shall deliver to Buyer, at or prior to Closing, such documentation as is reasonably requested by Buyer's lenders, including, without limitation, documentation providing for the release from all guaranties given by, and of all liens or security interests upon or in any of the respective properties and assets of, the Company or any Subsidiary, in each case arising under or in connection with the Indebtedness (other than the Surviving Indebtedness).

SECTION 11. TERMINATION AND ABANDONMENT

11.1. Termination.

This Agreement may be terminated and the transactions contemplated herein may be abandoned at any time prior to the Closing:

(a) by the Buyer or the Principal Sellers, if (i) the Closing has not occurred by March 15, 2005 or such other date agreed upon by the Buyer and the Principal Sellers (other than due to the failure of the party seeking to terminate this Agreement to perform in all material respects its obligations under this Agreement required to be performed at or prior to the Closing) or (ii) any court of competent jurisdiction shall have issued a final order, decree or ruling or taken any other final action restraining, enjoining or otherwise prohibiting the Closing and such order, decree, ruling or other action is or shall have become final and nonappealable (provided that the terminating party shall have used reasonable best efforts to resist or resolve any such action and have any injunction lifted);

(b) by mutual written consent of the Buyer, the Company and the Principal Sellers;

(c) by the Buyer, in the event of a breach of any representation, warranty, covenant or other agreement contained in this Agreement which would give rise to the failure of the conditions in Section 8.1 or 8.2, which is not cured within thirty (30) days after receipt of written notice thereof by the Company;

(d) by the Company and the Principal Sellers, in the event of a breach of any representation, warranty, covenant or other agreement contained in this

Agreement which would give rise to the failure of the conditions in Section 9.1 or 9.2, which is not cured within thirty (30) days after receipt of written notice thereof by the Buyer; or

(e) by the Company and the Principal Sellers, in the event that the funding of the Equity Investment into escrow, in accordance with the terms of the Equity Investment Agreements, shall not have been effected within fifteen (15) Business Days following the date hereof.

11.2. Procedure for Termination.

Each party hereto terminating this Agreement pursuant to Section 11.1 shall give written notice thereof to the other parties hereto, whereupon this Agreement (other than this Section 11.2 and Section 14) shall terminate and the transactions contemplated herein shall be abandoned without further action by any party and there shall be no liability on the part of any

party; provided, however, that if such termination results from (a) the deliberate failure of any party to fulfill a condition of performance of the obligations of the other party under this Agreement, (b) the failure of any party to perform a material covenant under this Agreement, or (c) the material breach by any party of any representation or warranty contained in this Agreement, and, at the time of termination, the terminating party was not in breach of its obligations under this Agreement such that the non-terminating party would have been entitled to terminate this Agreement, such non-terminating party shall be liable for any damages incurred or suffered by any party hereto as a result of such failure or breach.

SECTION 12. SURVIVAL AND INDEMNIFICATION

12.1. Survival of Representations, Warranties and Covenants and Certain Claims.

None of the representations and warranties contained in this Agreement shall survive the Closing; provided, however, that the representations and warranties contained in (a) Sections 4.2 and 4.4 shall survive the Closing indefinitely solely for the purposes of Section 12.2(a), (b) Section 5 (other than Sections 5.3 and 5.16(g)(iii)) shall survive the Closing until the second anniversary of the Closing Date solely for the purposes of Section 13.5 and shall thereafter terminate, (c) Section 5.3 shall survive the Closing indefinitely solely for the purposes of Sections 12.2(b) and 13.5 and (d) Section 5.16(g)(iii) shall survive the Closing until the fourth anniversary of the Closing Date solely for the purpose of Section 13.5 and shall thereafter terminate. The covenants contained in this Agreement shall survive the Closing until, by their respective terms, they are no longer operative.

12.2. Indemnity.

(a) Subject to all applicable terms, conditions and limitations set forth in this Section 12.2 and Section 13.5, each Seller shall severally, but not jointly, indemnify and hold harmless the Buyer Parties from and against any Loss or Losses (each, an "Individual Loss") sustained or required to be paid by any of the Buyer Parties resulting from or arising out of or in connection with any breach of any representation or warranty made by such Seller in Section 4.4.

(b) Subject to all applicable terms, conditions and limitations set forth in this Section 12.2 and Section 13.5, each Seller shall severally, but not jointly, indemnify and hold harmless the Buyer Parties from and against such Seller's Proportionate Interest of the amount of any Loss or Losses (each, a "Several Loss") sustained or required to be paid by any of the Buyer Parties resulting from or arising out of or in connection with any breach of any representation or warranty made by the Company in Section 5.3 of this Agreement.

(c) Notwithstanding any other provision hereof, each Seller's aggregate liability for: (i) any Individual Losses arising under Section 12.2(a) shall not exceed an aggregate amount equal to the lesser of (A) the amount of such Individual Losses attributable to such Seller and (B) such Seller's Pro Rata Share; and (ii) any Several Losses arising under Section 12.2(b) shall not exceed an aggregate amount equal to the lesser of (x) such Seller's Proportionate Interest of such Several Losses and (y) such Seller's Pro Rata Share; provided,

however, that in no event shall the aggregate liability of any Seller for all Individual Losses and Several Losses exceed an amount equal to such Seller's Pro Rata Share.

(d) If any Seller makes any payment under this Section 12.2 in respect of any Losses, such Seller shall be subrogated, to the extent of such payment, to the rights of the indemnified party against any third party with respect to such Losses.

(e) All payments made by any Seller pursuant to this Section 12.2 in respect of the indemnification of any Buyer Party hereunder shall be paid by such Seller to the Buyer (for the benefit of each relevant Buyer Party). All payments pursuant to this Section 12.2 shall be treated as an adjustment to the Purchase Price for all Tax purposes.

SECTION 13. CERTAIN ADDITIONAL COVENANTS AND AGREEMENTS

13.1. Tax Matters.

(a) The Company shall prepare and file, or cause to be prepared and filed, all Tax Returns required to be filed by or on behalf of the Company or any Subsidiary consistent with past practices for taxable periods commencing before the Closing Date and not yet filed on the Closing Date and shall cause the Company to pay the Taxes shown to be due thereon. The Company shall provide to the Buyer a copy of each material Tax Return that is required to be filed between the date hereof and the Closing Date twenty-five (25) days before the due date thereof for the Buyer's review. The Company shall consider in good faith whether to accept all comments made by Buyer with respect to such Tax Returns.

(b) All of the parties hereto agree to treat for Tax purposes as occurring at the beginning of the day immediately following the Closing Date in accordance with Treasury Regulation (ss). 1.1502-76(b)(1)(ii)(B) (i) the settlement of all of the Options settled pursuant to this Agreement and (ii) the payment of (A) any employee change-of-control payments obligated to be made by the Company as set forth in Section 1.1 of the Disclosure Schedule, (B) the Bonus Amount, (C) the Retention Payment and (D) all amounts paid under Sections 13.2(d) and 13.2(f), other than those amounts paid in accordance with the first and second sentences of Section 13.2(f).

(c) The following payments made on the Closing Date shall be deemed to occur in the following order on the day after the Closing Date: (i) first, any payments of wages or salary to officers and employees of the Company and its Subsidiaries, to the extent paid on the Closing Date pursuant to the Company's normal payroll practice, (ii) second, any and all payments made pursuant to Section 13.2(f), (iii) third, any and all payments made pursuant to Section 13.2(d), (iv) fourth, the payment of the Bonus Amount, (v) fifth, the payment of the Retention Payments and (vi) sixth, the payment of the Aggregate Option Consideration, including, without limitation, the excess of the Unallocated Option Payment over the Company's portion of the Retention Payments.

(d) Any sales, recording, transfer, stamp, conveyance, value added, use, or other similar Taxes, duties, excise, governmental charges or fees ("Transfer Taxes") imposed as a result of the sale of the Purchased Securities to the Buyer pursuant to this Agreement shall be borne by the Seller whose sale gave rise to such Transfer Taxes. Where the Buyer is required by

Law to remit such Transfer Taxes to a Governmental Entity, each appropriate Seller shall remit its share of the Transfer Taxes to the Buyer ten (10) days prior to the due date for such Transfer Taxes. The Principal Sellers and the Buyer, to the extent required by Applicable Law, shall prepare and file all Tax Returns on a timely basis relating to any such Transfer Taxes.

(e) All Tax allocation, indemnity, sharing or similar agreements or arrangements (whether or not written) with respect to or involving the Companies or any Subsidiary (other than those that are solely among the Company and/or Subsidiaries that are wholly owned, directly or indirectly, by the Company) shall be terminated as of immediately prior to the Closing, and after the Closing, neither the Companies nor any Subsidiary shall be bound thereby or have any liability thereunder, and such agreements or arrangements shall have no further effect for any Tax year (whether the current year, a future year or a past year).

13.2. Employee Benefits Matters.

(a) From and after the Closing and until December 31, 2005, the Buyer shall provide compensation to the continuing employees of the Company and its Subsidiaries and employee benefits to the employees and former employees of the Company and its Subsidiaries (such employees and former employees, "Employee Beneficiaries") that are no less favorable in the aggregate per employee than those provided to such individuals immediately prior to the Closing Date, taking into account the provisions of Section 13.2(f). From and after the Closing, with respect to any employee benefits that are provided to Employee Beneficiaries under the Buyer's employee benefits plans, the Buyer shall cause service by Employee Beneficiaries with the Company and its Subsidiaries and their respective predecessors to be taken into account for purposes of eligibility to participate, eligibility to commence benefits, credit for years of service and, solely for purposes of vacation and severance benefits, benefit accruals (except to the extent such treatment would result in duplicative accrual of benefits for the same period of service) under the benefit plans of the Buyer in which such employees participate.

(b) From and after the Closing, with respect to any welfare benefits that are provided to Employee Beneficiaries under the Buyer's employee benefits

plans, the Buyer shall cause to be (i) waived any pre-existing condition limitations and (ii) credited any deductibles and out-of-pocket expenses incurred by such employees and their beneficiaries and dependents during the portion of the calendar year in which participation commences prior to participation in the benefit plans provided by the Buyer.

(c) The Buyer shall, and shall cause the Company to, honor each Plan and arrangement set forth in Section 13.2(c) of the Disclosure Schedule in accordance with its respective terms; provided, however, that for such period following the Closing Date as is set forth in Section 13.2(c) of the Disclosure Schedule, the Buyer shall not terminate any such Plan or arrangement or make any amendment to such Plan or arrangement that would adversely affect the rights of participants or beneficiaries thereunder (except to the extent required by changes in applicable Law).

(d) With respect to (i) each individual set forth on Section 13.2(d) of the Disclosure Schedule delivered by the Company on the date hereof and (ii) each additional individual that the Buyer notifies the Company in writing not less than five (5) Business Days

prior to the Closing Date whose employment with the Company or any Subsidiary shall terminate effective as of immediately following the Closing (collectively, the "Listed Individuals"), the Buyer shall, and shall cause the Company to, immediately upon such termination make payments and provide benefits to each of the Listed Individuals in accordance with the terms set forth in Section 13.2(d) of the Disclosure Schedule.

(e) The Buyer shall honor, and shall cause the Company and any of its Subsidiaries to honor, all earned but unused vacation and other time-off accrued by the Employee Beneficiaries prior to the Closing in accordance with the applicable policies in effect with respect to the Employee Beneficiaries as of the date hereof.

(f) The Buyer shall, or shall cause the Company to, pay any earned but unpaid annual bonus award under the Company Management Incentive Bonus Plan in respect of fiscal year 2004 determined under the terms of such plan within five (5) Business Days following the Closing Date (to the extent not previously paid), to each of the Listed Individuals and each employee of the Company as of December 31, 2004 subject to an award thereunder (collectively, the "MIP Specified Employees"), and to each employee of Coleman and Sunbeam and their respective Subsidiaries as of December 31, 2004 subject to an award thereunder. The Buyer shall, or shall cause the Company to, pay any earned but unpaid long-term incentive compensation award under the Company's Key Executive Long-Term Incentive Plan in respect of the performance cycle ended in fiscal year 2004 determined under the terms of such plan, but assuming in all cases participation and continued employment for the entirety of such performance cycle, within five (5) Business Days following the Closing Date (to the extent not previously paid), to each of the Listed Individuals and each employee of the Company subject to an award thereunder (collectively, the "LTIP Specified Employees") and to each employee of Coleman and Sunbeam and their respective Subsidiaries as of December 31, 2004 subject to an award thereunder. With respect to each uncompleted performance cycle under the Company's Key Executive Long-Term Incentive Plan, the Buyer shall, or shall cause the Company to, pay (i) to each of the LTIP Specified Employees, within five (5) Business Days following the Closing Date, the aggregate value of his or her outstanding long-term incentive compensation award with respect to such uncompleted performance cycle, based on actual performance for any completed periods and target level performance for the 2005 and 2006 fiscal years for such performance cycles, assuming participation and continued employment for the entirety of each such uncompleted performance cycle (the "Uncompleted Performance Cycle Payments") and (ii) to all participating employees of Coleman and Sunbeam and their Subsidiaries, the aggregate value of all long-term incentive compensation awards determined under the terms of such plan with respect to the 2005 and 2006 fiscal years, based on actual performance for the 2005 and 2006 fiscal years, when and if such amounts become due and payable thereunder. The Sellers shall set forth on Section 13.2(f) of the Disclosure Schedule, the projected Uncompleted Performance Cycle Payment to each of the LTIP Specified Employees. The aggregate Uncompleted Performance Cycle Payments shall not be (x) less than the aggregate projected amounts in Section 13.2(f) of the Disclosure Schedule or (y) more than the aggregate projected amounts in Section 13.2(f) of the Disclosure Schedule by more than $500,000. Prior to the Closing, the Board shall, in its sole discretion, make any and all determinations necessary to determine achievement of business objectives and performance factors (A) under the Company Management Incentive Bonus Plan with respect to the 2004 fiscal year and (B) under the Company's Key Executive Long-Term Incentive Plan in respect to all individuals described

above pursuant to this Section 13.2(f). The Board shall make such determinations consistent with the past practice of the Board in making similar determinations in one or both of the last two (2) fiscal years provided, however, that the Board may also make adjustments, if any, based on changes in vacation policies,

insurance settlements and recoveries, restructuring activities, changes in the Company's and its Subsidiaries' retiree medical plans and warranty, bad debt, product liability and other judgmental reserves. No later than five (5) Business Days prior to the Closing, the Company shall deliver to Buyer for its review a schedule of the Uncompleted Performance Cycle Payment to be paid to each of the LTIP Specified Employees and a schedule of the achievement of business objectives and performance factors including any adjustments approved in determining such achievement.

(g) On the Closing Date and immediately following the payment of the Purchase Price by Buyer, the Company shall, and the Buyer shall cause the Company to, (i) make a payment (collectively, the "Bonus Amount") in the aggregate amount set forth on Section 13.2(g) of the Disclosure Schedule to such individuals, and in such amounts, in accordance with the terms set forth in such schedule (in each case, less any applicable withholding Taxes on such amounts), (ii) make a payment (the "Unallocated Option Payment") in an aggregate amount equal to the excess of the Aggregate Option Consideration over the aggregate amount of payments made pursuant to Section 3.5 to holders of outstanding Options, as follows: (A) subject to clause (B) below, payment of the Unallocated Option Payment shall be made to such individuals and in such amounts in accordance with the terms set forth in Section 13.2(g) of the Disclosure Schedule and (B) a portion of the Unallocated Option Payment equal to Two Million Dollars ($2,000,000) shall be used to pay the Company's half of the Retention Payments described in (iii) below, and (iii) make a payment in an aggregate amount equal to Four Million Dollars ($4,000,000) (the "Retention Payments") to such individuals and in such amounts in accordance with the terms set forth in Section 13.2(g) of the Disclosure Schedule.

(h) Following the Closing Date, the Board shall, and the Buyer and the Company shall cause the Board to, honor all outstanding awards under the Company Management Incentive Plan and the Company's Key Executive Long Term Incentive Plan (other than with respect to the MIP Specified Employees and the LTIP Specified Employees, as applicable), in accordance with the terms of such plans.

13.3. Merger Following the Closing.

No later than fifteen (15) Business Days following the Closing Date, the Buyer shall take all necessary and appropriate action to cause to become effective a merger of the Company with a wholly owned subsidiary of the Buyer (the "Merger"), with the Company as the surviving corporation, pursuant to which each outstanding Defaulted Share shall be cancelled and converted into the right to receive from the Buyer the Per Share Purchase Price. As soon as reasonably practicable following the effective time of the Merger, subject to the receipt by the Company from each holder of Defaulted Shares of a Letter of Transmittal and share certificates representing such Defaulted Shares, the Buyer shall pay to such holder (by check) with respect to each such Defaulted Share an amount equal to (a) the Per Share Purchase Price, less the Per Share Holdback Amount, multiplied by (b) the number of Defaulted Shares held by such holder. Upon the effectiveness of the Merger: (a) such Defaulted Shares shall be deemed Purchased

Securities for all purposes hereunder; (b) such holder shall be deemed a Seller for all purposes under this Agreement, and as such shall, without limitation, be subject to the Sellers' rights and obligations hereunder, as though each such holder had been a Seller as of the Closing Date; and (c) Schedule I attached hereto shall be amended to reflect the foregoing.

13.4. Joinder.

From the date hereof through the date of consummation of the Merger, in connection with the purchase by the Buyer of any shares of Company Common Stock, including any Defaulted Shares (pursuant to Section 3.7 of the Securityholders' Agreement or otherwise), any Securityholder not executing this Agreement on the date hereof (each, a "Joining Securityholder") holding such Company Common Stock shall be requested to execute and deliver to the Buyer a Joinder Agreement. Upon such execution and delivery of a Joinder Agreement by such Joining Securityholder, and the delivery by such Joining Securityholder to the Buyer of certificates representing such shares of Company Common Stock (together with stock powers in respect thereof, duly executed in blank) against the payment by the Buyer to such Joining Securityholder of the Per Share Purchase Price (less the Per Share Holdback Amount) in respect of each such share of Company Common Stock, as provided in Section 3.1(b):

(a) such Company Common Stock held by such Joining Securityholder shall be deemed Purchased Securities for all purposes hereunder;

(b) such Joining Securityholder shall be deemed a Seller for all purposes under this Agreement, and as such shall, without limitation, be subject to the Sellers' rights and obligations hereunder, as though each such Joining Securityholder had been a Seller as of the date hereof; and

(c) Schedule I attached hereto shall be appropriately amended to reflect such Joining Securityholder as a Seller hereunder and the Company Common Stock held by such Joining Securityholder as Purchased Securities hereunder.

13.5. Holdback Amount.

(a) The Holdback Amount shall be withheld by the Buyer from the Purchase Price (as provided herein) and, subject to the applicable terms of this Agreement, shall be available to satisfy any claims made by the Buyer Parties pursuant to Sections 12.2(b) and this Section 13.5.

(b) Except as otherwise provided in Section 12.2, the Holdback Amount shall provide the sole and exclusive rights and remedies of the Buyer Parties with respect to the transactions contemplated by this Agreement, subject to the limitations set forth in this Section 13.5(b), and the Holdback Amount shall be a cap and limit on the Sellers' obligations under this Agreement relating to or arising under this Agreement, and the Sellers shall not be liable for any obligations relating to or arising under this Agreement in excess of the Holdback Amount, including, without limitation, with respect to any misrepresentation, breach or default of or under any of the representations, warranties, covenants and agreements contained in this Agreement; provided, however, that nothing set forth herein shall be deemed to limit any party's

rights or remedies in the event that the other party has committed fraud. The Buyer shall be entitled to any and all interest or other income accruing or earned on the Holdback Amount.

(c) Subject to the applicable terms, conditions and limitations of this Section 13.5, the Buyer Parties shall be entitled to collect amounts from the Holdback Amount from time to time to satisfy claims for any Company Liabilities sustained or required to be paid by any Buyer Party, and the Holdback Amount shall be reduced by any amounts so collected.

(d) Any Buyer Party shall be entitled to control, contest and defend (through counsel reasonably acceptable to the Majority Sellers) any Proceeding instituted by any third party (any such third-party Proceeding being referred to as a "Third-Party Claim") in respect of which such Buyer Party may seek to satisfy a claim pursuant to this Section 13.5; provided that the Buyer Party shall defend such Third-Party Claim in good faith. So long as the Buyer Party is conducting the defense of the Third-Party Claim in accordance with this Section 13.5, each of the Principal Sellers shall be entitled, at its own cost and expense, to participate in, but not control, such contest and defense and be represented by attorneys of its or their own choosing. In the event that the Buyer Party elects not to control, contest and defend such Third-Party Claim, the Majority Sellers may control, contest and defend such Third-Party Claim and shall be entitled to reimbursement from the Holdback Amount of their reasonable costs and expenses in connection therewith; provided, however, that the Buyer Party may assume within a reasonable period of time under the circumstances its right to control, contest and defend such Third-Party Claim upon providing written notice thereof to the Majority Sellers. If the Buyer Party assumes the defense of any Third-Party Claim, no compromise or settlement of such claims may be effected by the Buyer Party without the Majority Sellers' consent (which consent shall not be unreasonably withheld or delayed), unless such compromise or settlement does not involve any monetary damages to which the Holdback Amount is applied by the Buyer. If the Majority Sellers assume the defense of any Third-Party Claim, no compromise or settlement of such claims may be effected by the Majority Sellers without the Buyer's consent (which consent shall not be unreasonably withheld or delayed), unless (i) there is no finding or admission of any violation of Law and no material adverse effect on any other claims that have theretofore been made against a Buyer Party and (ii) the sole relief provided is monetary damages that are paid in full from the Holdback Amount, and, in the case of a Third-Party Claim relating to Taxes, such resolution is not reasonably likely to adversely affect the Buyer Parties in any taxable period ending after the Closing Date. Notwithstanding anything to the contrary contained herein, in the event of any Third-Party Claim for which the Buyer Parties are entitled to the satisfaction or payment of any claim under this Section 13.5, the Buyer may choose to be fully responsible for such Third-Party Claim, in which case, no Seller shall have any right to control, contest or defend such Third-Party Claim. Each of the Principal Sellers shall be entitled, at its own cost and expense, to participate in, but not control, and be represented by attorneys, advisors and professionals of its or their own choosing with respect to any matter to which the Buyer Parties are making a claim that the Holdback Amount applies. In connection with any such claim, the Buyer shall promptly provide copies to the Principal Sellers of all material notices, pleadings, filings, correspondence and other submissions and reports and shall give each of the Principal Sellers a reasonable opportunity (at such Principal Seller's own expense) to comment in advance, if practicable, on such documents and on any submissions the Buyer intends to deliver or submit to the appropriate Governmental Entity prior to said submission (it being understood that no Buyer Party shall be obligated hereby or otherwise to accept any such comments or to otherwise

reflect any of them in any such documents or submissions). The Principal Sellers may, at their own expense, hire their own consultants, attorneys or other professionals in connection with any such claim, and the Buyer shall reasonably cooperate with the Principal Sellers' in connection therewith, including (upon

reasonable prior notice) making relevant employees of the Company and its Subsidiaries reasonably available to the Principal Sellers in connection with such claim. Notwithstanding the above, the Principal Sellers shall not unreasonably interfere with the Buyer's business or operations or any matter before the Governmental Entity.

(e) The Holdback Amount shall not be available to the Buyer Parties for any Environmental Damages for a particular Environmental Site, unless the amount of the Environmental Damages for such Environmental Site exceeds the Environmental Reserved Amount for such Environmental Site, and then only for the amount of Environmental Damages incurred above the Environmental Reserved Amount for such Environmental Site. To the extent that all or any portion of the then-remaining Environmental Reserved Amount for any particular Environmental Site exceeds the amount required to be reserved on the books and records of the Company in accordance with GAAP with respect to such Environmental Site (such excess hereinafter referred to as "Excess Environmental Reserves"), then, prior to utilizing the Holdback Amount for any other Environmental Site, the Buyer Parties shall first be required to apply the Excess Environmental Reserves in their entirety (in addition to any Environmental Reserved Amount for such other Environmental Site).

(f) The Holdback Amount shall not be available to the Buyer Parties for any Litigation Damages for a particular Specified Proceeding, unless the amount of the Litigation Damages for such Specified Proceeding exceeds the Litigation Reserved Amount for such Specified Proceeding, and then only for the amount of Litigation Damages incurred above the Litigation Reserved Amount for such Specified Proceeding. To the extent that all or any portion of the then-remaining Litigation Reserved Amount for any particular Specified Proceeding exceeds the amount required to be reserved on the books and records of the Company in accordance with GAAP with respect to such Specified Proceeding (such excess hereinafter referred to as "Excess Litigation Reserves"), then, prior to utilizing the Holdback Amount for any other Specified Proceeding, the Buyer Parties shall first be required to apply the Excess Litigation Reserves in their entirety (in addition to any Litigation Reserved Amount for such other Specified Proceeding).

(g) Subject to the applicable terms, conditions and limitations of this Section 13.5, the Buyer Parties shall be entitled to collect from the Holdback Amount with respect to 90% of the amount of Environmental Damages, Litigation Damages or (to the extent resulting from a Third-Party Claim) Breach Damages, as the case may be, and the Buyer Parties shall be solely responsible for 10% of the amount of such Environmental Damages, Litigation Damages or (to the extent resulting from a Third-Party Claim) Breach Damages, with no right or remedy against the Sellers with respect to such 10% amount. The Holdback Amount shall not be available to the Buyer Parties for any Breach Damages unless the aggregate amount of all such Breach Damages exceeds One Million Dollars ($1,000,000), in which case the Buyer Parties shall be entitled to collect from the Holdback Amount the entire amount of such Breach Damages (up to the Holdback Amount).

(h) With respect to Environmental Damages (subject to Section 13.5(g)):

(i) Notwithstanding anything to the contrary set forth in this Section 13.5, the Buyer shall have the right to control the management of an investigation or Remediation of a release of Hazardous Materials at any Environmental Site; provided, however, that such activities by the Buyer shall be performed at a reasonable cost, in accordance with applicable Laws and consistent with good environmental consulting and engineering practices. The Buyer shall promptly provide copies to the Principal Sellers of all material notices, correspondence, draft reports, submissions, work plans, and final reports and shall give each of the Principal Sellers a reasonable opportunity (at such Principal Seller's own expense) to comment in advance, if practicable, on such documents and on any submissions the Buyer intends to deliver or submit to the appropriate Governmental Entity prior to said submission (it being understood that no Buyer Party shall be obligated hereby or otherwise to accept any such comments or to otherwise reflect any of them in any such documents or submissions). The Principal Sellers may, at their own expense, hire their own consultants, attorneys or other professionals to monitor the investigation and remediation, including any field work undertaken by the Buyer, and the Buyer shall reasonably cooperate with the Principal Sellers' monitoring, including (upon reasonable prior notice) making relevant employees of the Company and its Subsidiaries available in connection with, and shall promptly provide the Principal Sellers with the results of, all such field work. Notwithstanding the above, the Principal Sellers shall not unreasonably interfere with the Buyer's business or operations or the performance of any such investigation or remediation.

(ii) With respect to cleanup costs (or other reasonably associated expenses), the Buyer Parties may only seek reimbursement from the Holdback Amount to the extent that: (A) cleanup (or other reasonably associated activities) of the Hazardous Materials is required by a Governmental Entity under an applicable Environmental Law; (B) the Remediation Standards that must be met in order to satisfy the requirements of the applicable Environmental Law or Governmental Entity as of the date

of any cleanup (or other reasonably associated activity) are those Remediation Standards that would be the least stringent Remediation Standards that would be applicable given the use of the Environmental Site as of the day before the Closing Date; and (C) such cleanup (or other reasonably associated activity) is conducted using cost effective methods for investigation, removal, remediation and/or containment consistent with applicable Environmental Law or the requirements of a Governmental Entity. To the extent that the cleanup costs incurred by the Buyer Parties in connection with a cleanup to which the Holdback Amount applies do not satisfy the conditions set forth in this Section 13.5(h), then the Buyer Parties shall be entitled to reimbursement from the Holdback Amount for only such amount of such cleanup costs that they would have incurred if they had conducted the cleanup in accordance with the conditions of this Section 13.5(h).

(iii) Notwithstanding anything to the contrary herein, the Sellers and the Buyer agree that: (A) if the cost of cleanup or correcting a non-compliance with the Environmental Law for an Environmental Site is increased after the Closing Date due to an act or omission after the Closing by any Person other than the Sellers or their Affiliates (which shall not include the Company or its Subsidiaries) or any of their respective employees or representatives or any Governmental Entity, the Buyer Parties shall not be entitled to reimbursement from the Holdback Amount for any such increase

in costs incurred; (B) the Buyer Parties shall not be entitled to reimbursement from the Holdback Amount for any capital improvements and repairs and modifications to capital improvements associated with any Environmental Site, other than to the extent required in connection with the cleanup of environmental conditions (or other reasonably associated activities) at an Environmental Site that existed on the Closing Date; and (C) the Buyer shall not be entitled to reimbursement from the Holdback Amount to the extent any costs are incurred due to any change related to the Environmental Site that the Company owned, operated, occupied or leased as of the Closing Date, or arising from the closure or sale of a facility or business, the construction of new structures or equipment, a modification to existing structures or equipment, the excavation or movement of soil, or a change in use of the facilities from manufacturing to any other use.

(i) On the fourth anniversary of the Closing Date, an amount equal to (i) the Holdback Amount, less (ii) the sum of (A) any amounts previously paid out of the Holdback Amount in respect of any Company Liabilities as provided in this Section 13.5; (B) an estimate (mutually agreed upon by the Buyer and the Majority Sellers) of any amounts (collectively, the "Holdback Reserve Amount") necessary to satisfy pending claims by any Buyer Party in respect of any (x) Company Liabilities (other than Environmental Damages, Litigation Damages and Breach Damages resulting from a breach of the representations and warranties set forth in Section 5.16(g)(iii) ("Section 5.16(g)(iii) Damages")) for which notice was received by the Principal Sellers on or prior to the second anniversary of the Closing Date and (y) Environmental Damages, Litigation Damages and/or Section 5.16(g)(iii) Damages for which notice was received by the Principal Sellers on or prior to the fourth anniversary of the Closing Date, and (C) the aggregate amounts released from the Holdback Amount prior to such date and paid to the Sellers pursuant to Section 13.5(d) or 13.5(j) shall be paid by the Buyer to the Sellers pro rata, in accordance with each Seller's Proportionate Interest, in accordance with written instructions from the Majority Sellers, out of the then remaining Holdback Amount (if any), without any interest or other income accruing or earned thereon; provided, however, that promptly after the satisfaction or resolution of all pending claims for which notice was received by the Principal Sellers prior to, with respect to Company Liabilities (other than Environmental Damages and Litigation Damages and Section 5.16(g)(iii) Damages), the second anniversary of the Closing Date and, with respect to Environmental Damages, Litigation Damages and/or Section 5.16(g)(iii) Damages, the fourth anniversary of the Closing Date, the then remaining portion of the Holdback Reserve Amount (less the amount paid to satisfy such claims pursuant to this Section 13.5) shall be paid by the Buyer to the Sellers pro rata, in accordance with each Seller's Proportionate Interest, in accordance with written instructions from the Majority Sellers), without any interest or other income accruing or earned thereon. In the event that the Buyer and the Majority Sellers are unable to mutually agree upon the amount of the Holdback Reserve Amount, then, pending resolution of such dispute, the Buyer shall be entitled to continue to reserve and retain (in accordance with the terms and provisions of this Section 13.5) the Buyer's estimate of the Holdback Reserve Amount.

(j) Notwithstanding anything herein to the contrary, any damages, awards, judgments, settlements or other recoveries ("Recoveries") actually received by any Buyer Party (including, from and after the Closing, the Company or any Subsidiary) from time to time after the Closing arising from or relating to the Proceedings listed in Section 13.5(j) of the Disclosure Schedule (or any other Proceedings or claims resulting from the same underlying facts or

occurrences) (the "Insurance Proceedings") shall be for the credit of the Sellers and, promptly upon receipt of any such Recoveries by the Buyer Parties, a portion of the Holdback Amount equal to the amount of such Recoveries (net of costs and expenses incurred by the Buyer Parties in connection obtaining such Recoveries) shall be released and paid by the Buyer to the Sellers pro rata, in accordance with each Seller's Proportionate Interest, in accordance with written instructions from the Majority Sellers); provided, however, that in no event shall the aggregate amount released to the Sellers pursuant to this Section 13.5(j) exceed the then remaining balance of the Holdback Amount. In connection therewith, the Buyer shall cause the Company or the appropriate Subsidiary to use its commercially reasonable efforts to perfect and preserve any potential claim under such Insurance Proceedings.

SECTION 14. MISCELLANEOUS

14.1. Construction.

Within this Agreement and all other documents required to consummate the transactions contemplated herein, including, without limitation, the Seller Closing Documents, the Company Closing Documents and the Buyer Closing Documents, the singular shall include the plural and the plural shall include the singular, and any gender shall include all other genders, all as the meaning and the context of this Agreement shall require. Unless otherwise specified, references to section numbers contained herein shall mean the applicable section of this Agreement and references to exhibits and schedules (including sections of the Seller Disclosure Schedule and the Disclosure Schedule) shall mean the applicable exhibits and schedules to this Agreement (and the applicable sections of the Seller Disclosure Schedule and the Disclosure Schedule). The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. All references in this Agreement to "dollars" or "$" shall mean United States dollars.

14.2. Further Assurances.

Each party hereto shall use its commercially reasonable efforts to comply with all requirements imposed hereby on such party and to cause the transactions contemplated herein to be consummated as contemplated herein and shall, from time to time and without further consideration, either before or after the Closing, execute such further instruments and take such other actions as any other party hereto shall reasonably request in order to fulfill its obligations under this Agreement and to effectuate the purposes of this Agreement and to provide for the orderly and efficient transition to the Buyer of the ownership of the Purchased Securities. Each party shall promptly notify the other parties of any event or circumstance that results in a breach or non-compliance with any of the terms, conditions, representations, warranties or agreements of any of the parties to this Agreement.

14.3. Costs and Expenses.

Except as otherwise expressly provided herein, each party shall bear its own expenses in connection herewith. The Company shall be responsible for the payment of half, and the Buyer shall be responsible for the payment of the other half, of all HSR Fees.

14.4. Notices.

All notices or other communications permitted or required under this Agreement shall be in writing and shall be sufficiently given if and when hand delivered or sent by facsimile to the Persons set forth below or if sent by documented overnight delivery service or certified mail, postage prepaid, return receipt requested, addressed as set forth below or to such other Person or Persons and/or at such other address or addresses (or facsimile number) as shall be furnished in writing by any party hereto to the others. Any such notice or communication shall be deemed to have been given as of the date received, in the case of personal delivery, or on the date shown on the receipt or confirmation therefor in all other cases.

To the Buyer (or the Company after the Closing), at:

Jarden Corporation
555 Theodore Fremd Avenue
Rye, NY 10580
Attention: Martin E. Franklin
Facsimile: (914) 967-9405

With copies to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019

Attention: William J. Grant, Esq.
Michael A. Schwartz, Esq.
Facsimile: (212) 728-8111

To any Principal Seller, at the address of such Principal Seller listed below:

Morgan Stanley Senior Funding, Inc.
1585 Broadway
New York, NY 10036
Attention: Michael Petrick
Facsimile: (212) 761-0203

Wachovia Bank National Association
Wachovia Securities
Special Situations Group
301 South College Street
TW-5, NC0537
Charlotte, NC 28288-0537
Attention: Joel Thomas
Facsimile: (704) 383-6249

Wachovia Securities, Inc.
301 S. College St. TW-16
Charlotte, NC 28288
Attention: Chris Ullrich
Facsimile: (704) 383-9579

Banc of America Strategic Solutions, Inc.
335 Madison Avenue
New York, NY 10017-4605
Attention: Peter Wheelock
Facsimile: (212) 503-7080

With copies to:

Bank of America Securities LLC
Hearst Tower
214 North Tryon Street
Charlotte, NC 28255
Attention: Jason C. Cipriani
Facsimile: (704) 388-3452

Jerry W. Levin
17017 Brookwood Drive
Boca Raton, FL 33496
Facsimile: (561) 487-5035

With copies to:

Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
Wilmington, DE 19801
Attention: Richard L. Easton, Esq.
Allison Amorison, Esq.
Facsimile: (302) 651-3001

To any Seller other than a Principal Seller, at such Seller's address set forth in the books and records of the Company.

With copies to:

Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
Wilmington, DE 19801
Attention: Richard L. Easton, Esq.
Allison Amorison, Esq.
Facsimile: (302) 651-3001

To the Company (prior to the Closing), at:

American Household, Inc.
2381 Executive Center Drive
Boca Raton, FL 33431
Attention: Steven R. Isko, Esq.
Facsimile: (561) 912-4612

With copies to:

Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
Wilmington, DE 19801
Attention: Richard L. Easton, Esq.

Allison Amorison, Esq.
Facsimile: (302) 651-3001

14.5. Assignment and Benefit.

(a) This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and permitted assigns. Neither this Agreement, nor any of the rights hereunder or thereunder, may be assigned by any party, nor may any party delegate any obligations hereunder or thereunder, without the written consent of the other party hereto or thereto; provided, however, that (i) the Buyer may assign its rights hereunder to one or more of its wholly owned subsidiaries or, from and after the Closing, to the Buyer's lenders; provided, that no such assignment shall relieve the Buyer of any of its obligations hereunder, and (ii) following the Closing Date, any Seller may assign its rights, but not its obligations, hereunder. Any assignment or attempted assignment other than in accordance with this Section 14.5(a) shall be void ab initio.

(b) Except as otherwise provided in Sections 7.13, 12.2, 13.2 and 13.5, this Agreement shall not be construed as giving any Person, other than the parties hereto and their permitted successors, heirs and assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or any of the provisions herein contained, this Agreement and all provisions and conditions hereof being intended to be, and being, for the sole and exclusive benefit of such parties, and permitted successors, heirs and assigns and for the benefit of no other Person. The parties hereto expressly intend the provisions of Sections 7.13, 12.2, 13.2 and 13.5 to confer a benefit upon and be enforceable by, as third party beneficiaries of this Agreement, the third persons referred to in, or intended to be benefited by, such provisions.

14.6. Amendment, Modification and Waiver.

The parties hereto may amend or modify, or may waive any right or obligation under, this Agreement in any respect, provided that any such amendment, modification or waiver shall be in writing and executed by the Buyer, the Company and the Majority Sellers. The waiver of any breach of any provision of this Agreement shall not constitute or operate as a waiver of any other breach of such provision or of any other provision hereof, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof.

14.7. Governing Law; Consent to Jurisdiction.

This Agreement is made pursuant to, and shall be construed and enforced in accordance with, the laws of the State of Delaware (and United States federal Law, to the extent applicable), irrespective of the principal place of business, residence or domicile of the parties hereto, and without giving effect to otherwise applicable principles of conflicts of law. Any legal action, suit or Proceeding arising out of or relating to this Agreement (other than in connection with the dispute resolved by the Resolving Accountant pursuant to Section 3.2) shall be instituted in any federal court or in any state court in the State of New York, and each party waives any objection which such party may now or hereafter have to the laying of the venue of any such action, suit or Proceeding, and irrevocably submits to the jurisdiction of any such court. Any and all service of process and any other notice in any such action, suit or Proceeding shall be effective against any party if given as provided herein. Nothing herein contained shall be deemed to affect the right of any party to serve process in any other manner permitted by Law.

14.8. Section Headings and Defined Terms.

The Section headings contained herein are for reference purposes only and shall not in any way affect the meaning and interpretation of this Agreement. Except as otherwise indicated, all agreements defined herein refer to the same as from time to time amended or supplemented or the terms thereof waived or modified in accordance herewith and therewith.

14.9. Severability.

The invalidity or unenforceability of any particular provision, or part of any provision, of this Agreement shall not affect the other provisions or parts hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted.

14.10. Effectiveness; Counterparts.

(a) This Agreement shall become effective, and shall be binding upon the Buyer, the Company and the Sellers, at such time as it shall have been executed and delivered by the Buyer, the Company and the Principal Sellers.

(b) This Agreement and the other documents required to consummate the transactions contemplated herein may be executed in one or more counterparts, each of which shall be deemed an original (including facsimile signatures), and any Person may become a party

hereto by executing a counterpart hereof, but all of such counterparts together shall be deemed to be one and the same instrument. The parties hereto may deliver this Agreement and the other documents required to consummate the transactions contemplated herein by telecopier machine/facsimile and each party shall be permitted to rely upon the signatures so transmitted to the same extent and effect as if they were original signatures.

14.11. Entire Agreement.

This Agreement, together with the Disclosure Schedule, the Seller Disclosure Schedule and the exhibits hereto, all of which shall be incorporated herein, the Seller Closing Documents, the Company Closing Documents and the Buyer Closing Documents and the Confidentiality Agreement, and the schedules and certificates referred to herein or delivered pursuant hereto, constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings with respect to such subject matter.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Securities Purchase Agreement as of the date first above written.

COMPANY:

AMERICAN HOUSEHOLD, INC.

By: /s/ Jerry W. Levin

Name: Jerry W. Levin
Title: Chairman and
Chief Executive Officer

BUYER:

JARDEN CORPORATION

By: /s/ Martin E. Franklin

Name: Martin E. Franklin
Title: Chairman and
Chief Executive Officer

SELLERS:

Morgan Stanley Senior Funding, Inc.

By: /s/ Michael Petrick

Name: Michael Petrick

Title: Managing Director

WACHOVIA BANK NATIONAL ASSOCIATION

By: /s/ G.C. Ullrich

Name: G.C. Ullrich
Title: Managing Director

BANC OF AMERICA STRATEGIC SOLUTIONS, INC.

By: /s/ H.G. Wheelock

Name: H.G. Wheelock
Title: Managing Director

/s/ Jerry W. Levin

Name: Jerry W. Levin

1st TRUST & CO. FBO, JERRY W. LEVIN, ROLLOVER

By: /s/ Jerry W. Levin

Name: Jerry W. Levin
Title: Trustee

1st TRUST & CO. FBO, JERRY W. LEVIN, IRA SEP

By: /s/ Jerry W. Levin

Name: Jerry W. Levin
Title: Trustee

ABBY L. LEVIN TRUST

By: /s/ Carol Lee Levin

Name: Carol Lee Levin
Title: Trustee

==========

PURCHASE AGREEMENT

dated as of September 19, 2004

between

JARDEN CORPORATION

and

WARBURG PINCUS PRIVATE EQUITY VIII, L.P.

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TABLE OF CONTENTS

Page

Recitals....1

ARTICLE I

Purchase; Closings

1.1 Purchase....1
1.2 Funding....1
1.3 Closing....2
1.4 Transfer to Affiliates....3

ARTICLE II

Representations and Warranties

2.1 Disclosure....3
2.2 Representations and Warranties of the Company....4
(a) Organization and Authority....4
(b) Company's Subsidiaries....5
(c) Capitalization....5
(d) Authorization; No Default....6
(e) Knowledge as to Conditions....7
(f) Company Financial Statements....7
(g) Reports....7
(h) Properties and Leases....8
(i) Taxes....8
(j) No Material Adverse Effect....8
(k) Commitments and Contracts....9
(l) Litigation and Other Proceedings....10
(m) Insurance....10
(n) Compliance with Laws....10
(o) Labor....10
(p) Company Benefit Plans....11
(q) No Defaults....12
(r) Environmental Liability....12
(s) Anti-takeover Provisions Not Applicable....13
(t) AHI Acquisition....14
(u) Board Approvals....14
(v) Brokers and Finders....14
2.3 Representations and Warranties of the Investor....14
(a) Organization and Authority....15
(b) Authorization....15
(c) Knowledge as to Conditions....15

(d) Purchase for Investment....16
(e) Financial Capability....16
(f) Brokers and Finders....16

ARTICLE III

Covenants

3.1 Filings; Other Actions....16
3.2 Expenses....18
3.3 Access, Information and Confidentiality....18
3.4 Consent of Lenders....19
3.5 Conduct of the Business....19

ARTICLE IV

Additional Agreements

4.1 Standstill Agreement....19
4.2 Registration Rights....21
4.3 Preemptive Rights....21
(a) Sale of New Stock....21
(b) Notice....22
(c) Purchase Mechanism....22
(d) Failure of Purchase....23
4.4 Governance Matters....24
4.5 Legend....25
4.6 Reservation for Issuance....25
4.7 Certain Transactions....26
4.8 Extension Periods....26
4.9 Restrictions on Transfers....26
4.10 Proxy....26
4.11 Withholding....27
4.12 Liquidity Rights....27

ARTICLE V

Termination

5.1 Termination....28
5.2 Effects of Termination....28

ARTICLE V

Miscellaneous

6.1 Survival of Representations, Warranties, Agreements, Etc....28
6.2 Amendment....28

6.3 Waiver....28
6.4 Counterparts and Facsimile....28
6.5 Governing Law; Jurisdiction....29
6.6 WAIVER OF JURY TRIAL....29
6.7 Notices....29
6.8 Entire Agreement, Etc....30
6.9 Definitions of "subsidiary," "Affiliate" and "knowledge"....30
6.10 Captions....30
6.11 Severability....31
6.12 No Third Party Beneficiaries....31
6.13 Time of Essence....31
6.14 Specific Performance....31
6.14 Certain Adjustments....31

LIST OF EXHIBITS

Form of Series B Convertible Participating Preferred Stock Certificate of Designations....1
Form of Series C Mandatory Convertible Participating Preferred Stock Certificate of Designations....2
SEC Registration -- Related Provisions....3
Escrow Agreement....4
Charter Amendment....5
Form of Proxy....6

INDEX OF DEFINED TERMS

Term	Location of Definition
Acquisition Termination Event	3.1(c)
Affiliate	6.9(b)
Agreement	Preamble
AHI	2.2(t)(1)
AHI Acquisition	2.2(t)(1)
AHI Acquisition Agreement	2.2(t)(1)
Bank Consents	1.2(b)
beneficial ownership	2.2(b)
Benefit Plan	2.2(k)(4)
Board of Directors	2.2(d)
Board Representative	4.4(a)
Cash Proceeds	1.2(a)(3)
CEO	4.4(d)
CFO	4.4(d)
Certificate of Incorporation	2.2(d)
Certificates of Designations	Recital
Charter Amendment	2.2(d)
Charter Amendment Approval	2.2(d)
Closing	1.3(a)
Closing Date	1.3(a)
Code	2.2(p)(1)
Common Stock/Common Shares	Recitals
Company	Preamble
Company Competitor	4.9
Company Financial Statements	2.2(f)
Company Reports	2.2(g)
Company Stock Option	2.2(c)
Company Subsidiary/Company Subsidiaries	2.2(b)
Company 10-K	2.2(f)
control	6.9(b)
Conversion Approval	2.2(d)
Disclosure Schedule	2.1(a)
ERISA	2.2(p)(1)
Environmental Claim	2.2(r)(5)
Environmental Laws	2.2(r)(6)
Escrow Account	1.2(a)(3)
Escrow Agent	1.2(a)(1)
Escrow Agreement	1.2(a)(1)
Exchange Act	2.2(b)
Extension Period	4.8

Funding	1.2
Governmental Entities	1.3(b)(1)
Hazardous Materials	2.2(r)(7)
HSR Act	2.2(d)
Information	3.3(b)
Investor	Preamble
IRS	2.2(i)
knowledge	6.9(c)
Liquidity Request	4.12(a)
Material Adverse Effect	2.1(b)
Meeting	3.1(c)
New Stock	4.3(a)
Nominating Committees	4.4(b)
Observer	4.4(b)
Permitted Transfer	4.9
Preferred Stock/Preferred Share	Recitals
Previously Disclosed	2.1(c)
Private Placement	4.3(b)(2)
Purchase	1.3(a)
Qualifying Ownership Interest	3.3(a)
Recapitalization	4.12(a)
Remarketing	4.12(a)
Registrable Securities	4.2
Registration Statement	4.2
SEC	2.2(f)
Section 16(b) Period	4.8
Securities	Recitals
Securities Act	2.3(d)
Series B Preferred Stock/Series B Preferred Shares	Recitals
Series C Preferred Stock/Series C Preferred Shares	Recitals
Share Base	3.3(a)
Shareholder Approvals	2.2(d)
subsidiary	6.9(a)
Transaction Documents	Recitals
Transfer	4.9

PURCHASE AGREEMENT, dated as of September 19, 2004 (this "Agreement"), between Jarden Corporation, a Delaware corporation (the "Company"), and Warburg Pincus Private Equity VIII, L.P. (the "Investor").

RECITALS:

A. The Investment. The Company intends to sell to the Investor, and the Investor intends to purchase from the Company, as an investment in the Company, the securities as described herein. The securities to be purchased are Series B Convertible Participating Preferred Stock of the Company (the "Series B Preferred Stock" or "Series B Preferred Shares"), Series C Mandatory Convertible Participating Preferred Stock of the Company (the "Series C Preferred Stock" or "Series C Preferred Shares" and, together with the Series B Preferred Stock, the "Preferred Stock" or "Preferred Shares") and common stock, par value $0.01 per share, of the Company (the "Common Stock" or "Common Shares") and are to be purchased at the Closing, as defined below, subject to the terms and conditions set forth herein. The Series B Preferred Stock and Series C Preferred Stock will have the designations, relative rights, preferences and limitations set forth in the certificates of designations substantially in the form attached as Exhibit 1 and Exhibit 2, respectively (the "Certificates of Designations").

B. The Securities. The term "Securities" refers collectively to (1) the Preferred Stock and Common Stock purchased under this Agreement, and (2) any securities into which any of the foregoing Preferred Shares are converted, exchanged or exercised in accordance with the terms thereof and of this Agreement.

C. Transaction Documents. The term "Transaction Documents" refers collectively to this Agreement, the Certificates of Designations, and the registration-related provisions contained in Exhibit 3.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein, the parties agree as follows:

ARTICLE I

PURCHASE; CLOSINGS

1.1 Purchase. On the terms and subject to the conditions set forth herein, the Investor will purchase from the Company, and the Company will sell to the Investor the Securities as set forth in Section 1.3.

1.2 Funding. (a) On the later of (i) ten business days following the date hereof and (ii) receipt of the Bank Consents (such date on which the actions set forth in this Section 1.2 are taken, the "Funding"):

(1) the Company, the Investor and National City Bank, as escrow agent (the "Escrow Agent"), will enter into an Escrow Agreement substantially in the form of Exhibit 4 attached hereto, subject to such reasonable changes as may be requested by the

Escrow Agent provided that parties to this Agreement consent to such changes (each party hereby agrees that it will not unreasonably withhold or delay such consent) (the "Escrow Agreement");

(2) the Company will deposit with the Escrow Agent pursuant to the Escrow Agreement certificates representing, respectively, the number of Preferred Shares and Common Shares to be purchased by the Investor; and

(3) the Investor shall deliver by wire transfer of immediately available United States funds into an escrow account (the "Escrow Account") with the Escrow Agent the purchase price thereof in the amount of $350,000,000 (the "Cash Proceeds"). The Cash Proceeds shall be held, invested and disbursed, in accordance with the terms and conditions of the Escrow Agreement.

(b) The obligation of the Investor to consummate the Funding is subject to the Investor having received evidence, which evidence shall be reasonably satisfactory to the Investor, that all consents required under that certain Second Amended and Restated Credit Agreement, dated as of June 11, 2004, among the Company, Canadian Imperial Bank of Commerce, as administrative agent, Citicorp North America, Inc., as syndication agent, National City Bank of Indiana and Bank of America, N.A., as co-documentation agents and the lenders party thereto relating to the Purchase and confirming that the lenders under such credit agreement shall have no rights to or interest in the Escrow Deposit (as defined in the Escrow Agreement) unless (a) the Company has right to such Escrow Deposit and (b) the Investor becomes the beneficial owner and has possession of the issued certificate relating to the Common Stock and the Preferred Stock, pursuant to the terms of the Escrow Agreement (the "Bank

Consents") have been received.

1.3 Closing. (a) At the closing (the "Closing"), the Investor and the Company will make the deposits into the Escrow Account required by the Escrow Agreement and, upon the release of such deposits from the Escrow Account pursuant to Section 4 of the Escrow Agreement, the Investor will purchase from the Company, and the Company will sell to the Investor, (A) 128,571 Series B Preferred Shares at a price of $1,000.00 per share, (B) 200,000 Series C Preferred Shares at a price of $1,000.00 per share and (C) 714,286 Common Shares at a price of $30.00 per share (the "Purchase"). The Closing will take place at the offices of Willkie Farr & Gallagher LLP located at 787 Seventh Avenue, New York, New York 10019 at 10:00 a.m., New York time, on the date of the Funding (the "Closing Date") or at such later time as the last of the conditions specified in Section 1.3(b) is satisfied or waived.

(b)(1) The respective obligation of each of the Investor and the Company to consummate the Closing is subject to the fulfillment or written waiver by the Investor and the Company prior to the Closing of the following conditions: (A) all approvals and authorizations of, filings and registrations with, and notifications to, all governmental or regulatory authorities, agencies, courts, commissions or other entities (collectively, "Governmental Entities") required for the Purchase shall have been obtained or made and shall be in full force and effect and all other waiting periods shall have expired, in each case without imposing or the Company agreeing to any restriction or condition that would have a Material Adverse Effect on the Company; and (B) no provision of any applicable law or

regulation and no judgment, injunction, order or decree shall prohibit the Purchase or shall prohibit or restrict Investor or its Affiliates from owning or voting any Securities.

(2) The obligation of the Company to consummate the Closing is also subject to the fulfillment or written waiver prior to the Closing of the following conditions: the Investor shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing and the Company shall have received a certificate dated as of the Closing Date signed on behalf of the Investor by a senior officer or general partner certifying compliance with Section 1.3(b)(2) hereof.

(3) The obligation of the Investor to consummate the Closing is also subject to the fulfillment or written waiver prior to the Closing of each of the following conditions: the Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing and the Investor shall have received a certificate dated as of the Closing Date signed on behalf of the Company by a senior officer certifying compliance with Section 1.3(b)(3) hereof.

1.4 Transfer to Affiliates. The parties acknowledge that the Investor intends to assign a portion of its rights and obligations to acquire the Securities in accordance with this Agreement to one or more of its Affiliate funds and may do so concurrently with the Closing, provided, that, as a condition to such transfer, any such Affiliate must execute and deliver to the Company a joinder agreement pursuant to which such Affiliate shall agree to be bound (severally, but not jointly and severally) by this Agreement as if it were a party hereto and in such case such Affiliate shall become responsible for its pro rata share of all obligations of Investor hereunder, and the transferor Investor shall be relieved of such acquired obligations. The parties agree to cooperate in this regard. The term "Investor" will be deemed to include such Affiliate funds that acquire Securities pursuant to this Agreement or that have been transferred Securities that were acquired pursuant to this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Disclosure. (a) On or prior to the date hereof, the Company delivered to the Investor a schedule ("Disclosure Schedule") setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more of the Company's representations or warranties contained in Section 2.2 or to one or more of its covenants contained in Article III; provided that the mere inclusion of an item in a Disclosure Schedule as an exception to a representation or warranty will not be deemed an admission by the Company that such item represents a material exception or fact, event or circumstance or that such item is reasonably likely to result in a Material Adverse Effect.

(b) "Material Adverse Effect" means, with respect to the Investor only clause (2) that follows, or, with respect to the Company, both clauses (1) and (2) that follow, any circumstance, event, change or effect that: (1) is material and adverse to the financial position,

results of operations, business, assets or liabilities of the Company and its subsidiaries taken as a whole or (2) would materially impair the ability of either the Investor or the Company, respectively, to perform its obligations under this Agreement or otherwise materially threaten or materially impede the consummation of the Purchase and the other transactions contemplated by this Agreement; provided, however, that Material Adverse Effect, under clause (1) or (2), shall be deemed not to include the impact of (A) changes in generally accepted accounting principles generally, (B) changes in laws of general applicability or interpretations thereof by Governmental Entities, (C) actions or omissions of either party taken with the prior written consent of the other party in contemplation of the transactions contemplated hereby, (D) changes or conditions (including changes in economic, financial market, regulatory or political conditions, whether resulting from acts of war or terrorism, an escalation of hostilities or otherwise) affecting the U.S. economy or foreign economies (so long as any such change in condition does not disproportionately affect the business of the Company and its subsidiaries) and (E) this Agreement and/or the AHI Acquisition Agreement, the transactions contemplated hereby and thereby or the announcement thereof. References to a Material Adverse Effect with respect to AHI mean any circumstance, event, change or effect that: (1) is material and adverse to the financial position, results of operations, business, assets or liabilities of AHI and its subsidiaries taken as a whole or (2) would materially impair the ability of AHI to perform its obligations under the AHI Acquisition Agreement; provided, however, that for these purposes Material Adverse Effect with respect to AHI shall not be deemed to include the impact of (A) changes in generally accepted accounting principles generally, (B) changes in laws of general applicability or interpretations thereof by Governmental Entities, (C) actions or omissions of AHI taken with the prior written consent of the Company and the Investor in contemplation of the transactions contemplated by the AHI Acquisition Agreement, (D) changes or conditions (including changes in economic, financial market, regulatory or political conditions, whether resulting from acts of war or terrorism, an escalation of hostilities or otherwise) affecting the U.S. economy or foreign economies and (E) this Agreement and/or the AHI Acquisition Agreement, the transactions contemplated hereby and thereby or the announcement thereof.

(c) "Previously Disclosed" means information set forth on the section of its Disclosure Schedule corresponding to the provision of this Agreement to which such information relates; provided that information which, on its face, reasonably should indicate to the reader that it relates to another provision of this Agreement shall also be deemed to be Previously Disclosed with respect to such other provision, or with respect to clauses (h), (j), (l), (m), (n), (o) and (q) of Section 2.2, as otherwise disclosed on a Company Report filed prior to the date hereof (other than as set forth in the risk factors or forward looking statements of such Company Report).

2.2 Representations and Warranties of the Company. Except as Previously Disclosed, the Company represents and warrants to the Investor that:

(a) Organization and Authority. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to do business and is in good standing in all jurisdictions where its ownership or leasing of property or the conduct of its business requires it to be so qualified and failure to be so qualified would have a Material Adverse Effect on the Company and has

corporate power and authority to own its properties and assets and to carry on its business as it is now being conducted. The Company has furnished to the Investor true and correct copies of the Certificate of Incorporation and by-laws as amended through the date of this Agreement.

(b) Company's Subsidiaries. The Company has Previously Disclosed a complete and correct list of all of its subsidiaries as of the date hereof, all shares of the outstanding capital stock of each of which are owned directly or indirectly by the Company. The material subsidiaries of the Company are referred to herein individually as a "Company Subsidiary" and collectively as the "Company Subsidiaries." No equity security of any Company Subsidiary is or may be required to be issued by reason of any option, warrant, scrip, preemptive right, right to subscribe to, call or commitment of any character whatsoever relating to, or security or right convertible into, shares of any capital stock of such subsidiary, and there are no contracts, commitments, understandings or arrangements by which any Company Subsidiary is bound to issue additional shares of its capital stock, or any option, warrant or right to purchase or acquire any additional shares of its capital stock. All of such shares so owned by the Company are fully paid and nonassessable and are owned by it free and clear of any lien, claim, charge, option, encumbrance or agreement with respect thereto. Each Company Subsidiary is a corporation duly organized, validly existing, duly qualified to do business and in good standing under the laws of its jurisdiction of incorporation, and has corporate power and authority to own or lease its properties and assets and to carry on its business as it is now being conducted.

Other than the Company Subsidiaries or as Previously Disclosed, the Company does not own beneficially (the concept of "beneficial ownership" having the meaning assigned thereto in Section 13(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), and the rules and regulations thereunder), directly or indirectly, more than 5% of any class of equity securities or similar interests of any corporation or other entity, and is not, directly or indirectly, a partner in any partnership or party to any joint venture.

(c) Capitalization. The authorized capital stock of the Company consists of (1) 5 million shares of Preferred Stock, of which no shares were outstanding as of the date of this Agreement, and (2) 50 million shares of Common Stock, of which 27,447,959 shares were outstanding as of the date of this Agreement. As of the date hereof, there are outstanding options (each, a "Company Stock Option") to purchase an aggregate of not more than 2,652,763 shares of Common Stock, all of which options are outstanding under the Benefit Plans. The maximum number of shares of Common Stock that would be outstanding as of the Closing Date if all options, warrants, conversion rights and other rights with respect thereto (excluding those to be issued pursuant hereto) outstanding as of the date hereof were exercised is not more than 30,100,722. All of the outstanding shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and nonassessable. The shares of Common Stock and Preferred Stock and the shares of Common Stock and Series B Preferred Stock to be issued in respect of or upon conversion of such Preferred Stock to be issued in accordance with the terms of this Agreement and the respective Certificate of Designations, upon such issuance or conversion, as the case may be, will be duly and validly authorized and issued and fully paid and nonassessable. The Common Stock to be purchased under this Agreement and

the Common Stock to be issued upon conversion of shares of the Series B Preferred Stock and the Common Stock to be issued upon conversion of the Series C Preferred Stock, subject to the Conversion Approval as set forth in this Agreement and in the Certificate of Designations relating to the Series C Preferred Stock, has been approved for listing on the New York Stock Exchange. Except (A) as Previously Disclosed, (B) for the rights granted pursuant to the Transaction Documents, or (C) under or pursuant to the Benefit Plans, as of the date hereof there are no outstanding subscriptions, contracts, conversion privileges, options, warrants, calls, preemptive rights or other rights obligating the Company or any Company Subsidiary to issue, sell or otherwise dispose of, or to purchase, redeem or otherwise acquire, any shares of capital stock of the Company or any Company Subsidiary.

(d) Authorization; No Default. The Company has the power and authority to enter into the Transaction Documents and to carry out its obligations hereunder and thereunder. The execution, delivery and performance of the Transaction Documents by the Company and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the board of directors of the Company (the "Board of Directors"). Subject to such approvals of Governmental Entities as may be required by statute or regulation, the Transaction Documents are valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms.

Neither the execution, delivery and performance by the Company of the Transaction Documents or the AHI Acquisition Agreement and any documents ancillary thereto, nor the consummation of the transactions contemplated hereby and thereby, including the AHI Acquisition and the use of the Cash Proceeds exclusively to pay consideration to sellers pursuant to the AHI Acquisition Agreement, nor compliance by the Company with any of the provisions thereof, will (1) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration of, or result in the creation of, any lien, security interest, charge or encumbrance upon any of the properties or assets of the Company or any Company Subsidiary under any of the material terms, conditions or provisions of (A) its Certificate of Incorporation or by-laws or (B) any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which the Company or any Company Subsidiary is a party or by which it may be bound, or to which the Company or any Company Subsidiary or any of the properties or assets of the Company or any Company Subsidiary may be subject, or (2) subject to compliance with the statutes and regulations and votes referred to in the next paragraph, violate any statute, rule or regulation or, to the knowledge of the Company, any judgment, ruling, order, writ, injunction or decree applicable to the Company or any Company Subsidiary or any of their respective properties or assets; except, in the case of clauses (1)(B) and (2), as would not reasonably be likely to have a Material Adverse Effect on the Company.

Other than (1) the shareholder votes (x) relating to the proposed amendment to the Company's Certificate of Incorporation (the "Certificate of Incorporation") set forth as Exhibit 5 hereto (the "Charter Amendment" and such approval the "Charter Amendment

Approval") and (y) to provide any and all shareholder approvals as may be necessary so that the Series C Preferred Stock shall be immediately convertible into Series B Preferred Stock and Common Stock pursuant to the terms of the Certificate of Designations relating to the Series C Preferred Stock (the "Conversion Approval" and together with the Charter Amendment Approval, the "Shareholder Approvals"), (2) the filing of the Certificates of Designations with the Delaware Secretary of State and (3) in connection or in compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Act"), no notice to, filing with, exemption or review by, or authorization, consent or approval of, any Governmental Entity or any other person is necessary for the consummation by the Company of the transactions contemplated by the Transaction Documents.

(e) Knowledge as to Conditions. As of the date of this Agreement, the Company knows of no reason why any regulatory approvals and, to the extent necessary, any other material approvals, authorizations, filings, registrations, and notices required or otherwise a condition to the consummation of the transactions contemplated by the Transaction Documents cannot, or should not, be obtained.

(f) Company Financial Statements. The consolidated balance sheets of the Company and its subsidiaries as of December 31, 2003 and 2002 and related consolidated statements of income, stockholders' equity and cash flows for the three years ended December 31, 2003, together with the notes thereto, certified by Ernst & Young LLP and included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 (the "Company 10-K") as filed with the Securities and Exchange Commission (the "SEC"), and the unaudited consolidated balance sheets of the Company and its subsidiaries as of June 30, 2004 and related consolidated statements of income, stockholders' equity and cash flows for the quarter then ended, included in the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2004 (collectively, the "Company Financial Statements") have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and present fairly the consolidated financial position of the Company and its subsidiaries at the dates and the consolidated results of operations and cash flows of the Company and its subsidiaries for the periods stated therein (subject to the absence of notes and year-end audit adjustments in the case of interim unaudited statements).

(g) Reports. Since December 31, 2001, the Company and each Company Subsidiary have filed all material reports, registrations and statements, together with any required amendments thereto, that it was required to file with the SEC, including, but not limited to, Forms 10-K, Forms 8-K, Forms 10-Q and proxy statements and any documents incorporated by reference therein. All such reports and statements filed with any such regulatory body or authority are collectively referred to herein as the "Company Reports". As of their respective dates, the Company Reports (1) complied in all material respects with all the rules and regulations promulgated by the SEC and (2) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading. Copies of all the Company Reports (other than those which have been filed with the SEC

and are publicly available on EDGAR) have been made available to the Investor by the Company.

(h) Properties and Leases. Except for any lien for current taxes not yet delinquent or which are being contested in good faith and by appropriate proceedings, the Company and each Company Subsidiary have good title free and clear of any material liens, claims, charges, options, encumbrances or similar restrictions to all the real and personal property reflected in the Company's consolidated balance sheet as of December 31, 2003 included in the Company 10-K for the period then ended, and all real and personal property acquired since such date, except such real and personal property as has been disposed of in the ordinary course of business. Except as is not reasonably likely to have a Material Adverse Effect on the Company, all leases of real property and all other leases material to the Company or any Company Subsidiary pursuant to which the Company or such Company Subsidiary, as lessee, leases real or personal property are valid and effective in accordance with their respective terms, and there is not, under any such lease, any material existing default by

the Company or such Company Subsidiary or any event which, with notice or lapse of time or both, would constitute such a material default.

(i) Taxes. Each of the Company and the Company Subsidiaries has filed all material federal, state, county, local and foreign tax returns, including information returns, required to be filed by it, and paid all material taxes owed by it, including those with respect to income, withholding, social security, unemployment, workers compensation, franchise, ad valorem, premium, excise and sales taxes, and no taxes shown on such returns to be owed by it or assessments received by it are delinquent. The federal income tax returns of the Company and the Company Subsidiaries for the fiscal year ended December 31, 2003, and for all fiscal years prior thereto, are for the purposes of routine audit by the Internal Revenue Service (the "IRS") closed because of the statute of limitations, and no claims for additional taxes for such fiscal years are pending. Neither the Company nor any Company Subsidiary is a party to any pending action or proceeding, nor to the Company's knowledge has any such action or proceeding been threatened by any Governmental Entity, for the assessment or collection of taxes, interest, penalties, assessments or deficiencies that would reasonably be likely to have a Material Adverse Effect on the Company and, to the knowledge of the Company, no issue has been raised by any federal, state, local or foreign taxing authority in connection with an audit or examination of the tax returns, business or properties of the Company or any Company Subsidiary which has not been settled, resolved and fully satisfied, or adequately reserved for (other than those issues that are not reasonably likely to have a Material Adverse Effect on the Company). Each of the Company and the Company Subsidiaries has withheld all material taxes that it is required to withhold from amounts owing to employees, creditors or other third parties.

(j) No Material Adverse Effect. Since December 31, 2003, no change has occurred and no circumstances exist which have had or are reasonably likely to have a Material Adverse Effect on the Company.

(k) Commitments and Contracts. The Company has Previously Disclosed or has filed as an exhibit to a Company Report filed prior to the date hereof (or with respect to clause (4) below only, made available to the Investor or its representative) each of the following to which the Company or any Company Subsidiary is a party or subject (whether written or oral, express or implied):

(1) any material contract, agreement or arrangement (including severance arrangements) the terms of which would be subject to violation, breach, default, termination, acceleration of performance, or which would result in the creation of any lien, security interest, charge or encumbrance, as a result of the execution, delivery and performance by the Company of the Transaction Documents or the AHI Acquisition Agreement or any documents ancillary thereto, or the consummation of the transactions contemplated hereby or thereby, including the AHI Acquisition;

(2) any material contract, agreement or arrangement providing for "earn-outs," "savings guarantees," "performance guarantees," or other contingent payments (other than in the ordinary course of the operating businesses of the Company, such as rebates and obligations under operating leases, triple net leases and indemnification arrangements in favor of directors and employees) by the Company or any Company Subsidiary other than those with respect to which there are no further material obligations under such provisions;

(3) any employment contract or understanding (including any understandings or obligations with respect to severance or termination pay, liabilities or fringe benefits) with any present or former director or executive officer or officer or other employee who receives cash compensation in excess of $200,000 per annum (other than those that are terminable at will by the Company or such Company Subsidiary on less than 90 days notice without payment or penalty or those that otherwise no longer impose any material obligations on the Company);

(4) any plan, contract or understanding providing for any bonus, pension, option, deferred compensation, retirement payment, profit sharing welfare benefits or other compensation with respect to any present or former officer, director, employee or consultant of the Company or any Company Subsidiary (each a "Benefit Plan"), in each case, requiring aggregate annual payments or contributions by the Company or a Company Subsidiary in an aggregate amount in excess of $1,000,000 or which has aggregate unfunded liabilities in an amount in excess of $1,000,000 individually provided that the aggregate unfunded liabilities of the Benefit Plans not

Previously Disclosed or filed with the SEC do not exceed $3,000,000;

(5) any contract purporting to, or containing covenants that, materially limit the ability of the Company or any Company Subsidiary to compete in any line of business or with any person or which involve any material restriction of the geographical area in which, or method by which or with whom, the Company

or any Company Subsidiary may carry on its business (other than as may be required by law or applicable regulatory authorities);

(6) any contract purporting to limit in any material respect, or containing covenants that would have the effect of limiting in any material respect, the ability of any Affiliate of the Company (other than Company Subsidiaries) to compete in any line of business or with any person or which involve any restriction of the geographical area in which, or method by which or with whom, such Affiliate may carry on its business (other than as may be required by law or applicable regulatory authorities); or

(7) any real property lease and any other lease which commits the Company or any Company Subsidiary to make at any time after the date hereof payments aggregating $5,000,000 or more.

(l) Litigation and Other Proceedings. There is no pending or, to the knowledge of the Company, threatened, claim, action, suit, investigation or proceeding, against the Company or any Company Subsidiary, nor is the Company or any Company Subsidiary subject to any order, judgment or decree, except for matters that have not had a Material Adverse Effect or are not reasonably likely to have a Material Adverse Effect.

(m) Insurance. The Company and each Company Subsidiary is presently insured, and during each of the past five calendar years (or during such lesser period of time as the Company has owned such Company Subsidiary) has been insured, for reasonable amounts with financially sound and reputable insurance companies against such risks as companies engaged in a similar business would, in accordance with good business practice, customarily be insured.

(n) Compliance with Laws. The Company and each Company Subsidiary have all permits, licenses, authorizations, orders and approvals of, and have made all filings, applications and registrations with, Governmental Entities that are required in order to permit them to own or lease their properties and assets and to carry on their business as presently conducted and that are material to the business of the Company and the Company Subsidiaries, taken as a whole; and all such permits, licenses, certificates of authority, orders and approvals are in full force and effect and, to the knowledge of the Company, no suspension or cancellation of any of them is threatened, and all such filings, applications and registrations are current. Except as is not reasonably likely to have a Material Adverse Effect on the Company, (A) the conduct by the Company and each Company Subsidiary of their business and the condition and use of their properties does not violate or infringe any applicable domestic (federal, state or local) or foreign law, statute, ordinance, license or regulation, and (B) neither the Company nor any Company Subsidiary is in default under any order, license, regulation, demand, writ, injunction or decree of any Governmental Entity.

(o) Labor. No material work stoppage involving the Company or any Company Subsidiary is pending or, to the knowledge of the Company, threatened. Neither the Company nor any Company Subsidiary is involved in, or threatened with or affected by,

any labor dispute, arbitration, lawsuit or administrative proceeding that is reasonably likely to have a Material Adverse Effect on the Company.

(p) Company Benefit Plans.

(1) With respect to each Benefit Plan, the Company and the Company Subsidiaries have complied, and are now in compliance, in all material respects, with all provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Internal Revenue Code of 1986, as amended (the "Code") and all laws and regulations applicable to such Benefit Plans, including the receipt of any applicable

determination letters under the Code. Each Benefit Plan has been administered in all material respects in accordance with its terms including all requirements to make contributions. There is not now, nor do any circumstances exist that are likely to give rise to, any requirement for the posting of security with respect to a Benefit Plan or the imposition of any material lien on the assets of the Company or any Company Subsidiary under ERISA or the Code, and no material liability (other than for premiums to the Pension Benefit Guaranty Corporation) under Title IV of ERISA or under Sections 412, 4971 or 4980B of the Code has been or is reasonably expected to be incurred by the Company or any Company Subsidiary.

(2) No Benefit Plan is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

(3) The Company and each Company Subsidiary have reserved the right to amend, terminate or modify at any time all plans or arrangements providing for retiree health or life insurance coverage, and there have been no communications to employees or former employees which could reasonably be interpreted to promise or guarantee such employees or former employees retiree health or life insurance or other retiree death benefits on a permanent basis, other than those retirement benefits provided for under the Company's collective bargaining agreements.

(4) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby (or any related termination of employment) will (A) result in any material payment (including, without limitation, severance or "excess parachute payments" (within the meaning of Section 280G of the Code), or forgiveness of indebtedness) becoming due to any current or former employee, officer or director of the Company or any Company Subsidiary under any Benefit Plan or otherwise, or(B) materially increase or accelerate or require the funding of any benefits otherwise payable under any Benefit Plan.

(5) There are no pending or, to the Company's knowledge, threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations which have been asserted or instituted, and, to the Company's knowledge, no set of circumstances exists which may reasonably give rise to a

claim or lawsuit, against the Benefit Plans, any fiduciaries thereof with respect to their duties to the Benefit Plans or the assets of any of the trusts under any of the Benefit Plans, which, in each case, would reasonably be expected to result in any material liability of the Company or any Company Subsidiary.

(6) The Company has adopted or, prior to the Closing, will adopt the executive compensation arrangements referred to on Attachment 2.2(p)(6) in a form consistent with the items set forth on such Attachment and no arrangements inconsistent with or additional thereto exist with respect to the subject matters therein.

(q) No Defaults. Neither the Company nor any Company Subsidiary is in default, nor has any event occurred that, with the passage of time or the giving of notice, or both, would constitute a default, under any material agreement, indenture, loan agreement or other instrument to which it is a party or by which it or any of its assets is bound or to which any of its assets is subject, the result of which is reasonably likely to have a Material Adverse Effect on the Company. To the Company's knowledge, all parties with whom the Company or any Company Subsidiary has material leases, agreements or contracts or who owe to the Company or any Company Subsidiary material obligations are in compliance therewith in all material respects.

(r) Environmental Liability. Except as is not reasonably likely to have a Material Adverse Effect on the Company:

(1) The Company and each Company Subsidiary is in material compliance with all applicable Environmental Laws and has no written notice of any unresolved potential liability with respect to any Environmental Law from any governmental authority or other person. To the knowledge of the Company, no such potential liability has been threatened against the Company or any Company Subsidiary. There is no pending or, to the knowledge of the Company, threatened Claim against the Company or any Company Subsidiary. None of the properties of the Company or any Company Subsidiary, is subject to any

material claim, judgment, decree, order, arbitration award, lien or deed restriction by any federal, state or local governmental, regulatory or administrative authority relating to Environmental Laws.

(2) To the knowledge of the Company, there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge, presence or disposal of any Hazardous Materials, that would reasonably be expected to form the basis of any Environmental Claim relating to the business or any of the properties of the Company or any Company Subsidiary or against the Company or any Company Subsidiary.

(3) To the knowledge of the Company, none of the Company or the Company Subsidiaries is or will be required to incur material capital cost or

expense in order to cause its current operations or properties to achieve or maintain compliance with applicable Environmental Laws.

(4) Neither the Company nor any Company Subsidiary has, either expressly or by operation of law, assumed or undertaken under any agreement any liability, including but not limited to personal injury, property damage, natural resources damages or corrective, investigatory or remedial obligation of any other person relating to any Environmental Law.

(5) "Environmental Claim" means any action, suit, proceeding, arbitration, claim, complaint, decree, lawsuit or any notice of violation or notice of investigation by any Governmental Entity or involving any person alleging personal injury, property damage or other potential liability, including, without limitation, any cleanup liability, arising out of, based on, or resulting from any actual or threatened (a) release or disposal or the presence in the environment, including, without limitation, the indoor environment, of any Hazardous Materials by or attributable to the Company or any Company Subsidiary, or any of their respective predecessors, at any location, (b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Laws by or attributable to the Company or any Company Subsidiary or (c) exposure to any Hazardous Materials attributable to the Company, any Company Subsidiary or any of their respective predecessors.

(6) "Environmental Laws" means all applicable federal, state, local or foreign laws, statutes, regulations, environmental permits, orders, ordinances, judgments or decrees (a) related to releases or threatened releases of any Hazardous Materials in soil, surface water, groundwater or air, (b) governing the use, treatment, storage, disposal, transport, or handling of Hazardous Materials or (c) related to the protection of the environment, human health or natural resources. Such Environmental Laws shall include, but are not limited to, the Resource Conservation and Recovery Act, and the Comprehensive Environmental Response, Compensation and Liability Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Clean Water Act, the Clean Air Act, the Safe Drinking Water Act, and the Emergency Planning and Community Right-to-Know Act, and their respective state, local or foreign analogs.

(7) "Hazardous Materials" means any product, substance, gas, chemical, material, waste, mold, fungi or toxic growth whose presence, nature, quantity or concentration, either by itself or in combination with other materials is (a) potentially injurious to human health or safety, the environment or natural resources; (b) regulated, monitored or subject to reporting by any Governmental Entity; or (c) a basis for potential liability to any Governmental Entity or third party under any statute or common law theory.

(s) Anti-takeover Provisions Not Applicable. The provisions of Section 203 of the Delaware General Corporation Law as they relate to the Company do not and will not

apply to the Transaction Documents or to any of the transactions contemplated hereby or thereby.

(t) AHI Acquisition.

(1) The Company has made available to the Investor or its representatives (i) the definitive documentation relating to the AHI Acquisition, including the AHI Acquisition Agreement; and (ii) all material due diligence materials, presentations and other materials furnished by AHI to the Company in contemplation of the AHI Acquisition or prepared by the Company's representatives (or by the Company and provided to the Board of Directors) in contemplation of the AHI Acquisition. To the knowledge of the Company, there are no material due diligence materials relating to the AHI Acquisition which were prepared by the Company and were not provided to the Board of Directors. "AHI" means American Household, Inc. "AHI Acquisition" means the closing of the acquisition by the Company of AHI, in accordance with the terms of the AHI Acquisition Agreement. "AHI Acquisition Agreement" means the Securities Purchase Agreement, dated as of the date hereof, among the Company and the Sellers identified therein in the form in which it exists on the date hereof as such may be amended in accordance with Section 3.1(d) hereof.

(2) To the knowledge of the Company, as of the date hereof, since December 31, 2003, no change has occurred and no circumstances exist which have had or are reasonably likely to have a Material Adverse Effect on AHI.

(u) Board Approvals. The transactions contemplated by the Transaction Documents, including without limitation the issuance of the Preferred Stock and the compliance with the terms thereof and the compliance with the terms of this Agreement, have been approved unanimously by the Board of Directors. Such approval is sufficient for the purpose of Article VIII of the Certificate of Incorporation. The Board of Directors has unanimously (i) adopted, approved and declared advisable each of the Charter Amendment and the Conversion Approval, (ii) directed that the Charter Amendment and the Conversion Approval be submitted to the stockholders of the Company for their approval and adoption and (iii) recommended that the stockholders of the Company approve and adopt the Charter Amendment and the Conversion Approval.

(v) Brokers and Finders. Neither the Company nor any Company Subsidiary nor any of their respective officers, directors or employees has employed any broker or finder or incurred any liability for any financial advisory fees, brokerage fees, commissions or finder's fees, and no broker or finder has acted directly or indirectly for the Company or any Company Subsidiary, in connection with the Transaction Documents or the transactions contemplated hereby and thereby.

2.3 Representations and Warranties of the Investor. The Investor hereby represents and warrants to the Company that:

(a) Organization and Authority. The Investor is a limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, is duly qualified to do business and is in good standing in all jurisdictions where its ownership or leasing of property or the conduct of its business requires it to be so qualified and failure to be so qualified would have a Material Adverse Effect on the Investor and has partnership power and authority to own its properties and assets and to carry on its business as it is now being conducted. The Investor has furnished the Company with a true and correct copy of its certificate of limited partnership through the date of this Agreement.

(b) Authorization. The Investor has the partnership power and authority to enter into the Transaction Documents and to carry out its obligations hereunder and thereunder. The execution, delivery and performance of the Transaction Documents by the Investor and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Investor's partnership and no further approval or authorization by any of the partners is required. Subject to such approvals of Governmental Entities as may be required by statute or regulation, the Transaction Documents are valid and binding obligations of the Investor enforceable against the Investor in accordance with their respective terms.

Neither the execution, delivery and performance by the Investor of the Transaction Documents, nor the consummation of the transactions contemplated hereby and thereby, nor compliance by the Investor with any of the provisions thereof, will (1) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration of, or result in the

creation of, any lien, security interest, charge or encumbrance upon any of the properties or assets of the Investor under any of the material terms, conditions or provisions of (A) its certificate of limited partnership or partnership agreement or (B) any material note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which the Investor is a party or by which it may be bound, or to which the Investor or any of the properties or assets of the Investor may be subject, or (2) subject to compliance with the statutes and regulations referred to in the next paragraph, materially violate any statute, rule or regulation or, to the knowledge of the Investor, any judgment, ruling, order, writ, injunction or decree applicable to the Investor or any of their respective properties or assets.

Other than in connection or in compliance with the HSR Act, no notice to, filing with, exemption or review by, or authorization, consent or approval of, any Governmental Entity or any other person is necessary for the consummation by the Investor of the transactions contemplated by the Transaction Documents.

(c) Knowledge as to Conditions. As of the date of this Agreement, it knows of no reason why any regulatory approvals and, to the extent necessary, any other approvals, authorizations, filings, registrations, or notices required or otherwise a condition to the consummation of the transactions contemplated by the Transaction Documents cannot, or should not, be obtained.

(d) Purchase for Investment. The Investor acknowledges that the Securities have not been registered under the Securities Act of 1933 and the rules and regulations thereunder (the "Securities Act") or under any state securities laws and that there is no public or other market for the Preferred Shares. The Investor (1) is acquiring the Securities for its own account pursuant to an exemption from registration under the Securities Act solely for investment and not with a view to distribution in violation of the securities laws, (2) will not sell or otherwise dispose of any of the Securities, except in compliance with the registration requirements or exemption provisions of the Securities Act and any other applicable securities laws, (3) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks of its investment in the Securities and of making an informed investment decision and (4) is an Accredited Investor (as that term is defined by Rule 501 of the Securities Act).

(e) Financial Capability. The Investor will have available funds to make the Purchase on the terms and conditions contemplated by this Agreement.

(f) Brokers and Finders. Neither the Investor nor its Affiliates or any of their respective officers, directors or employees has employed any broker or finder or incurred any liability for any financial advisory fees, brokerage fees, commissions or finder's fees, and no broker or finder has acted directly or indirectly for the Investor, in connection with the Transaction Documents or the transactions contemplated hereby and thereby.

ARTICLE III

COVENANTS

3.1 Filings; Other Actions. (a) Each of the Investor and the Company will cooperate and consult with the other and use commercially reasonable best efforts to prepare and file all necessary documentation, to effect all necessary applications, notices, petitions, filings and other documents, and to obtain all necessary permits, consents, orders, approvals and authorizations of, or any exemption by, all third parties and Governmental Entities necessary or advisable to consummate the transactions contemplated by this Agreement. In particular, the Investor will use its commercially reasonable best efforts to obtain, and the Company will use its commercially reasonable best efforts to help the Investor obtain, as promptly as practicable, all approvals, authorizations, consents or exemptions from all necessary Governmental Entities, including the Federal Trade Commission and the Antitrust Division of the Department of Justice, for the transactions contemplated by the Transaction Documents, including, but not limited to, any approvals (and applicable waiting period) required under the HSR Act. Each of the Investor and the Company will have the right to review in advance, and to the extent practicable each will consult with the other, in each case subject to applicable laws relating to the exchange of information, with respect to all the information relating to the other party, and any of their respective subsidiaries, which appears in any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions contemplated by this Agreement (including any proxy materials in connection with the Shareholder Approvals). In exercising the foregoing right, each of the parties hereto agrees to act reasonably and as

promptly as practicable. Each party hereto agrees to keep the other party apprised of the status of matters relating to completion of the transactions contemplated hereby.

(b) Each party agrees, upon request, to furnish the other party with all information concerning itself, its subsidiaries, directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with the proxy statement in connection with the Meeting and any other statement, filing, notice or application made by or on behalf of such other party or any of its subsidiaries to any Governmental Entity in connection with the Purchase and the other transactions contemplated by the Transaction Documents.

(c) The Company agrees to use its commercially reasonable best efforts (i) to consummate the AHI Acquisition in accordance with the terms of the AHI Acquisition Agreement and not later than March 15, 2005 and (ii) to obtain, as promptly as practicable after the consummation of the AHI Acquisition, the Shareholder Approvals. Without limiting the generality of the foregoing, the Board of Directors will continue to unanimously recommend that the shareholders of the Company approve, and after the consummation of the AHI Acquisition will call and hold a meeting of the stockholders of the Company (the "Meeting") seeking the approval of, inter alia, the matters subject to the Shareholder Approvals; provided that if the Shareholder Approvals are not received at the first Meeting, at least once per calendar year after such Meeting, the Company will use its commercially reasonable efforts to call and hold a meeting of the stockholders of the Company in order to obtain the Shareholder Approvals (it being agreed that the inclusion in the proxy materials relating to the Annual Meeting of the stockholders of the Company which includes the preceding recommendation shall satisfy this requirement). The directors' recommendation described in the previous sentence shall be included in the proxy statement filed in connection with the Shareholder Approvals, except that the Board of Directors may withdraw or modify such recommendation if the Board of Directors determines, in good faith, after consultation with outside legal counsel, that such action is required in order for the Board of Directors to comply with their fiduciary duties to the Company's shareholders under applicable law. Notwithstanding the foregoing, the Company shall not be obligated to use its commercially reasonable best efforts to consummate the AHI Acquisition if the Company determines in good faith that an Acquisition Termination Event is reasonably likely to occur. "Acquisition Termination Event" means termination for any reason of the AHI Acquisition Agreement; provided, however, that an Acquisition Termination Event shall not be deemed to have occurred until the 30th day following such termination, and shall not be deemed to have occurred if within such 30 day period the Company or any of the Company Subsidiaries shall have agreed to acquire a majority of the voting stock of AHI or all or substantially all of the assets of AHI or the Company or AHI shall have publicly announced an interest in making or pursuing such a transaction after such termination.

(d) Prior to the consummation of the AHI Acquisition, the Company will keep the Investor apprised of all material developments in the AHI Acquisition, including with respect to communications, satisfaction and waiver of conditions, and all other matters pertinent to the AHI Acquisition. Without the prior written consent of the Investor, which shall not be unreasonably withheld or delayed, the Company will not waive or amend any provision contained in the AHI Acquisition Agreement.

3.2 Expenses. The Company will, promptly upon periodic request and receipt of reasonable supporting documentation, reimburse the Investor for all out-of-pocket expenses reasonably incurred by it in connection with the Investor's and its Affiliates' due diligence on the Company and AHI and the proposed AHI Acquisition, the negotiation and preparation of the Transaction Documents and the undertaking of the transactions contemplated by the Transaction Documents (including reasonable fees and expenses of counsel and accounting fees and all HSR filing fees incurred by or on behalf of the Investor or its Affiliates in connection with the transactions contemplated hereby). Without limiting the foregoing, the Company will pay and will hold harmless the Investor against all costs and expenses of the Escrow Agreement including, costs and expenses related to the indemnification of the Escrow Agent. In addition, the Company agrees to reimburse the Board Representative appointed by the Investor for reasonable out-of-pocket expenses incurred in connection with Board of Directors participation (consistent with Company policies), and agrees to pay such Board Representative the same outside director compensation paid to other non-executive directors of the Company.

3.3 Access, Information and Confidentiality.

(a) From the date hereof until the date when the Securities

owned by the Investor represent less than 25% of the Share Base (a "Qualifying Ownership Interest"), the Company will ensure that upon reasonable notice, the Company and its subsidiaries will afford to Investor and its representatives (including, without limitation, officers and employees of the Investor, and counsel, accountants and other professionals retained by the Investor) such access during normal business hours to its books, records (including, without limitation, tax returns and appropriate work papers of independent auditors under normal professional courtesy), properties and personnel and to such other information as Investor may reasonably request, including access to any such materials pertaining to AHI or the AHI Acquisition. All requests for access and information shall be coordinated through senior corporate officers of the Company. The "Share Base" equals the number of Series B Preferred Shares that would have been purchased at the Closing if the mandatory conversion of the shares of Series C Preferred Stock would have occurred prior to the Closing (or such number of Common Shares represented by such Series B Preferred Shares on an as converted basis) without regard to any limitation on such conversion.

(b) The Investor will hold, and will cause its respective subsidiaries and their directors, officers, employees, agents, consultants and advisors to hold, in strict confidence, unless compelled to disclose by judicial or administrative process or, in the written opinion of its counsel, by other requirement of law or the applicable requirements of any regulatory agency or relevant stock exchange, all non-public records, books, contracts, instruments, computer data and other data and information (collectively, "Information") concerning the Company or any of its subsidiaries or AHI or any of its subsidiaries or the AHI Acquisition, in each case, furnished to it by such the Company or its representatives pursuant to this Agreement (except to the extent that such information can be shown to have been (1) previously known by the Investor on a non-confidential basis, (2) in the public domain through no fault of the Investor or (3) later lawfully acquired from other sources by the Investor), and the Investor shall not release or disclose such Information to any other person, except its to auditors, attorneys, financial advisors, and other consultants and advisors.

3.4 Consent of Lenders. The Company shall use its commercially reasonable best efforts to obtain the Bank Consents within ten business days of the date hereof, and if such Consents are not obtained within ten business days, the Company shall continue to use its commercially reasonable best efforts to obtain the Bank Consents as promptly as practicable thereafter.

3.5 Conduct of the Business.

Prior to the Funding,

(a) if the Company shall (i) declare or pay any dividend or distribution on, any shares of Company capital stock, (ii) undergo a Change in Control (as defined in the Certificate of Designations relating to the Series B Preferred Stock) or (iii) take any action that would require any adjustment to be made under Section 7(c) of the Certificate of Designations relating to the Series B Preferred Stock or Section 7(c) or 8(c) of the Certificate of Designations relating to the Series C Preferred Stock, appropriate adjustments shall be made with respect to the Investor such that the Investor will receive the benefit of such transaction as if the securities to be purchased by Investor had been outstanding as of the date of such action; and

(b) without the prior written consent of the Investor, the Company shall not take any action that, if taken after the issuance of the Preferred Shares, would require the written consent of or vote by holders of such shares pursuant to Section 9(c) of the Certificate of Designations relating to the Series B Preferred Stock or Section 10(c) of the Certificate of Designations relating to the Series C Preferred Stock, as the case may be.

ARTICLE IV

ADDITIONAL AGREEMENTS

4.1 Standstill Agreement. (a) Subject to paragraph (b) below, the Investor agrees that until the fifth anniversary of the Closing Date, without the prior approval of the Company, the Investor will not, directly or indirectly, through its Affiliates or associates or any other persons, or in concert with any person, (i) purchase or otherwise acquire beneficial ownership (as defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act) that would result in the Investor and its Affiliates having beneficial ownership of more than 35% of the outstanding shares of voting stock or Common Stock of the Company, assuming the conversion into Common Stock of the Preferred Stock of the Company (it being agreed that the foregoing shall not restrict the Investor from receiving shares as a result of a dividend or distribution in respect of previously owned shares), (ii) enter into or publicly propose to enter into, directly or indirectly, any merger or other business combination, acquisition of assets or similar transaction or change or control involving the Company or any Company Subsidiary, (iii) make, or in any way participate, directly or

indirectly, in any "solicitation" of "proxies" (as such terms are used in the proxy rules of the Commission) to vote, or seek to advise or influence any person with respect to the voting of, any securities of the Company or any Company Subsidiary, (iv) call, or seek to call, a meeting of the Company's stockholders or initiate any stockholder proposal for action by stockholders of the Company, (v) bring any action or otherwise act to contest the validity of this

Section 4.1 or seek a release of the restrictions contained herein, (vi) form, join or in any way participate in a "group" (within the meaning of Sections 13(d)(3) of the Exchange Act) with respect to any securities of the Company or any Company Subsidiary, (vii) seek the removal of any directors from the Board of Directors or a change in the size or composition of the Board of Directors (including, without limitation, voting for any directors not nominated by the Board of Directors), (viii) propose or enter into any discussions, negotiations, arrangements, understandings or agreements (whether written or oral) with any other person regarding any possible purchase or sale of any securities or assets of the Company or any Company Subsidiary (other than Securities owned by the Investor or any of its Affiliates), (ix) disclose any intention, plan or arrangement inconsistent with the foregoing, (x) take, or solicit, propose to or agree with any other person to take, any similar actions designed to influence the management or control of the Company, (xi) advise, assist or encourage any other persons in connection with any of the foregoing or (xii) make, or take any action that would reasonably be expected to cause, the Company to make a public announcement regarding any intention of the Investor to take an action that would be prohibited by the foregoing. Notwithstanding the foregoing, the parties hereby agree that nothing in Section 4.1(a) shall apply to any portfolio company in which the Investor has less than 50% voting control, provided that the Investor does not provide to such entity any non-public information concerning the Company or any Company Subsidiary and such portfolio company is not acting at the request or direction of the Investor. In the event that the Company shall fail to comply with any of its dividend or other payment obligations under the Certificate of Designations relating to the Series B Preferred Stock or the Certificate of Designations relating to the Series C Preferred Stock and the Company fail to comply with such obligation within three business days after the Investor shall have notified the Company in writing of such non-compliance, this Section 4.1(a) shall forthwith become wholly void and of no further force and effect, and the rest of this Agreement shall remain in full force and effect.

(b) Nothing in Section 4.1(a) shall (i) limit any action taken by a Board Representative or Observer as a member or Observer of the Board of Directors acting in such capacity, (ii) prohibit or restrict any Investor or any Affiliate of any Investor from responding to any inquiries from any shareholders of the Company as to such person's intention with respect to the voting of Common Stock or Preferred Stock of the Company beneficially owned by such person so long as such response is consistent with the terms of this Agreement, (iii) prohibit or restrict a purchase, sale, merger, consolidation or other business combination transaction involving any portfolio company of the Investor or any Affiliate thereof so long as the purpose of such transaction is not the acquisition of voting securities or assets of the Company or any Company Subsidiary, (iv) prohibit or restrict any Investor or any Affiliate of any Investor from participating in any process initiated by the Company with respect to the sale of any assets or securities of the Company or any Company Subsidiary, (v) prohibit the purchase or other acquisition of beneficial ownership of any (A) Securities pursuant to this Agreement or upon conversion of any of the Preferred Shares or (B) any New Stock in accordance with Section 4.4 of this Agreement, (vi) prohibit or restrict any agreement, arrangement, understanding, negotiation, discussion, disclosure or other action exclusively involving the Investor, its Affiliates and any employee, officer or director thereof, (vii) prohibit any notice to limited partners of any Investor or any Affiliate of any Investor in respect of a proposed distribution of securities of the Company or any Company Subsidiary to such limited partners, or (viii) prohibit or restrain any sale or other disposition by the Investor

or any limited partner thereof or of any Affiliate thereof of any securities owned by them (or any proposals or discussions related thereto).

4.2 Registration Rights. The Company shall use its commercially reasonable best efforts to file with the SEC, on behalf of the Investor and its Affiliates and any subsequent transferee, a registration statement (the "Registration Statement") covering the Registrable Securities purchased hereunder and the Registrable Securities that would be required to be delivered upon conversion of the Preferred Stock purchased hereunder by the 60 day following the AHI Acquisition; provided that in no event shall the Company fail to file the Registration Statement later than the 90th day following the AHI Acquisition. The expenses of the preparation and filing of such Registration Statement shall be borne by the Company. Upon filing the Registration Statement, the Company will use its commercially reasonable best efforts to have declared effective as soon as reasonably practicable following the filing thereof and to keep the Registration Statement effective with the SEC at all times until the

Investor or any transferee who would require such registration to effect a sale of the Registrable Securities no longer holds the Registrable Securities, unless all such Registrable Securities then held by such holder can immediately be sold and for at least 30 of the past 60 trading days could have been sold by such holder pursuant to Rule 144 under the Securities Act. Provisions relating to the registration rights discussed in this Section are included in Exhibit 3 hereto. "Registrable Securities" means all shares of Common Stock acquired by the Investor hereunder, all shares of Common Stock issuable upon conversion of the Preferred Shares and all securities that may be issued in respect thereof other than the Series B Preferred Stock.

4.3 Preemptive Rights.

(a) Sale of New Stock. As long as the Investor owns Securities representing the Qualifying Ownership Interest (before giving effect to issuances triggering this Section), if at any time after the Closing, the Company at any time or from time to time makes any public or non-public offering of Common Stock (or securities convertible or exchangeable into Common Stock) ("New Stock"), other than (i) pursuant to the granting or exercise of employee stock options or other stock incentives pursuant to the Company's stock incentive plans or the issuance of stock pursuant to the Company's employee stock purchase plan or (ii) issuances for the purposes of consideration in merger or acquisition transactions the Investor shall be afforded the opportunity to acquire from the Company for the same price (net of any underwriting discounts or sales commissions) and on the same terms (except that, to the extent permitted by law, the Investor may elect to receive such securities in nonvoting form, convertible into voting securities in a widely dispersed offering) as such securities are proposed to be offered to others, up to the amount of New Stock required to enable it to maintain its proportionate Common Stock-equivalent interest in the Company. The amount of New Stock that the Investor shall be entitled to purchase shall be determined by multiplying (x) the total number of such offered shares of New Stock by (y) a fraction, the numerator of which is the number of shares of Common Stock held by the Investor, and the denominator of which is the number of shares of Common Stock then outstanding; provided, however, that for purposes of determining the number of shares of Common Stock outstanding or held by the Investor, such amount shall assume the exercise of all outstanding in the money warrants to purchase capital stock of the Company and the conversion of all in the money convertible equity securities of the Company outstanding (whether or not then exercisable or convertible).

(b) Notice.

(1) In the event the Company intends to offer New Stock in an underwritten public offering or a private offering made to financial institutions for resale pursuant to Rule 144A, no later than five business days after the initial filing of a registration statement with respect to such underwritten public offering or the commencement of such Rule 144A offering, it shall give the Investor written notice of its intention (including, in the case of a registered public offering and to the extent possible, a copy of the draft prospectus to be included in the registration statement to be filed in respect of such offering) describing, to the extent possible, the anticipated amount of securities, range of price, timing and other terms of such offering. The Investor shall have five business days from the date of receipt of any such notice to notify the Company in writing that it intends to exercise such preemptive purchase rights and as to the amount of New Stock the Investor desires to purchase, up to the maximum amount calculated pursuant to Section 4.3(a). Such notice shall constitute a non-binding indication of interest of the Investor to purchase the amount of New Stock. The failure to respond during such five business day period shall constitute a waiver of the preemptive rights in respect of such offering.

(2) If the Company proposes to offer New Stock in a transaction that is not an underwritten public offering or Rule 144A offering (a "Private Placement"), the Company shall (a) give the Investor written notice of its intention, describing the anticipated amount of securities, price and other terms upon which the Company proposes to offer the same and (b) promptly provide the Investor with an updated notice reflecting any changes to such anticipated amount of securities, price or other material terms. The Investor shall have ten business days from the date of receipt of the last notice required by the immediately preceding sentence to notify the Company in writing that it intends to exercise such preemptive purchase rights and as to the amount of New Stock the Investor desires to purchase, up to the maximum amount calculated pursuant to Section 4.3(a). Such notice shall constitute the binding agreement of the Investor to purchase the amount of New Stock so specified upon the price and other terms set forth in the Company's notice to it; provided, that the closing of the Private Placement with respect to which such right has been exercised takes place within 15 calendar days after the giving of notice of such exercise by the Investor. The failure of the Investor to respond during the ten business day period referred to in the second preceding sentence shall constitute a waiver of the preemptive rights in respect of such offering.

(c) Purchase Mechanism.

(1) Private Placement. If the Investor exercises its preemptive purchase rights provided in Section 4.3(b)(2)(above), the closing of the purchase of the New Stock with respect to which such right has been exercised shall be conditioned on the consummation of the sale of securities pursuant to the Private Placement with respect to which such right has been exercised and shall take place within ten business days after the closing of the Private Placement; provided, that such time period shall be extended for a maximum of 95 days in order to comply with applicable laws and regulations; provided, further that the actual amount of securities to be sold to the Investor pursuant to its exercise of

preemptive rights hereunder shall be reduced if the aggregate amount of New Stock sold in the Private Placement is reduced and, at the option of the Investor, shall be increased if such aggregate amount of New Stock sold in the Private Placement is increased. Each of the Company and the Investor agrees to use its commercially reasonable efforts to secure any regulatory approvals or other consents, and to comply with any law or regulation necessary in connection with the offer, sale and purchase of, such New Stock.

(2) Underwritten Public Offering or Rule 144A Offering. If the Investor exercises its preemptive purchase rights provided in Section 4.3(b)(1)(above), the Company shall offer the Investor the amount of New Stock determined in accordance with Section 4.3(b)(1) (as adjusted to reflect the actual size of such offering when priced) on the same terms as the New Stock is offered to the underwriters. The Investor shall further enter into an agreement to purchase the New Stock to be acquired contemporaneously with the execution of any underwriting agreement or purchase agreement entered into between the Company and the underwriters or initial purchasers of such underwritten public offering or Rule 144A offering, and the failure to enter into such an agreement at or prior to such time shall constitute a waiver of the preemptive rights in respect of such offering. Any offers and sales pursuant to this Section 4.3 in the context of a registered public offering shall be conditioned on reasonably acceptable representations and warranties of the Investor regarding its status as the type of offeree to whom a private sale can be made concurrently with a registered public offering in compliance with applicable securities laws.

(d) Failure of Purchase. In the event the Investor fails to exercise its preemptive purchase rights provided in this Section 4.3 within the applicable period or, if so exercised, the Investor is unable to consummate such purchase within the time period specified in Section 4.3(c) above because of its failure to obtain any required regulatory consent or approval, the Company shall thereafter be entitled during the period of 120 days following the conclusion of the applicable period to sell or enter into an agreement (pursuant to which the sale of the New Stock covered thereby shall be consummated, if at all, within 30 days from the date of said agreement) to sell the New Stock not elected to be purchased pursuant to this Section 4.3 or which the Investor is unable to purchase because of such failure to obtain any such consent or approval, at a price and upon terms no more favorable to the purchasers of such securities in the Private Placement, the underwritten public offering or Rule 144A offering, as the case may be, or than were specified in the Company's notice to the Investor. Notwithstanding the foregoing, if such sale is subject to the receipt of any regulatory approval or expiration of any waiting period, the time period during which such sale may be consummated may be extended until the expiration of five business days after all such approvals have been obtained or waiting periods expired, but in no event shall such time period exceed 180 days from the date of the applicable agreement with respect to such sale. In the event the Company has not sold the New Stock or entered into an agreement to sell the New Stock within said 120-day period (or sold and issued New Stock in accordance with the foregoing within 30 days from the date of said agreement (as such period may be extended in the manner described above for a period not to exceed 180 days from the date of said agreement)), the Company shall not thereafter offer, issue or sell such New Stock without first offering such securities to the Investor in the manner provided above.

(e) The Investor shall not have any rights to participate in the negotiation of the proposed terms of any Private Placement, underwritten public offering or Rule 144A offering. Subject to the restrictions set forth in Section 4.1 hereof, the Investor shall receive the same rights (including, without limitation, preemptive rights, rights relating to closing conditions and indemnification and pro rata voting rights, if any) as other purchasers in the Private Placement.

(f) The Company and the Investor shall cooperate in good faith to facilitate the exercise of the Investor's preemptive rights hereunder in a manner that does not jeopardize the timing, marketing, pricing or execution of any offering of the Company's securities.

(g) In the case of the offering of Common Stock for a

consideration in whole or in part other than cash, including securities acquired in exchange therefor (other than securities by their terms so exchangeable), the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors; provided, however, that such fair value as determined by the Board of Directors shall not exceed the aggregate market price of the Common Shares being offered as of the date the Board of Directors authorizes the offering of such shares.

4.4 Governance Matters. (a) The Company will cause one person nominated by the Investor (the "Board Representative") to be elected or appointed, subject to satisfaction of all legal and governance requirements regarding service as a director of the Company, to the Company's Board of Directors as promptly as practicable following the Closing. The Company and the Investor agree that the initial Board Representative shall be Charles Kaye.

(b) Subject to the further provisions of this Section 4.4, the Company's Governance and Nominating Committees (or any other committee exercising a similar function) (the "Nominating Committees") shall recommend to the Board of Directors that such person (or any successor designated by the Investor and reasonably acceptable to the Company (it being agreed that any managing director of the entity that manages the Investor is hereby deemed to be acceptable to the Company provided that the Investor consults with the Company prior to designating any such person), subject to Section 4.4(c) below) be included in the slate of nominees recommended by the Board of Directors to stockholders for election as directors at each annual meeting of stockholders of the Company at which such person's term expires. Notwithstanding anything else contained in this Agreement, in the event that the Board Representative is not elected as a director of the Company, the standstill restrictions contained in Section 4.1 shall immediately lapse and be of no further force or effect. The Board Representative, when serving on the Board of Directors, shall be entitled to serve on all major committees and subcommittees of the Board, except to the extent prohibited by applicable law or stock exchange regulation. In addition to the Board Representative, the Investor will have the right to have one of its employees attend meetings of the Board of Directors (including any meeting of any committees thereof) as an observer (the "Observer") without authority to vote.

(c) If the Board Representative shall cease to serve as a director for any reason, the Board of Directors will use its commercially reasonable best efforts to take all action required to fill the vacancy resulting therefrom with a person designated by the Investor and

reasonably acceptable to the Company (it being agreed that any managing director of the entity that manages the Investor is hereby deemed to be acceptable to the Company provided that the Investor consults with the Company prior to designating any such person), subject to satisfaction of all legal and governance requirements regarding service as a director of the Company.

(d) Without the approval of the Investor (as evidenced by a written consent signed by senior officer or general partner of the Investor), the Company shall not appoint a new permanent Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") or person to perform the duties of either such position and the Investor shall act in good faith in granting or withholding such approval.

(e) If the Investor at any time beneficially owns less than one-third of the Share Base, the Investor will have no further rights under Sections 4.4(a) through (d) other than to have one Observer under the last sentence of Section 4.4(b) and, if so requested by the Company, shall promptly cause to resign, and take all other action reasonably necessary, or reasonably requested by the Company, to cause the prompt removal of, the Board Representative. If the Investor ceases to beneficially own Securities representing at least the Qualifying Ownership Interest, the Investor's right to have any Observer shall terminate.

4.5 Legend. (a) The Investor agrees that all certificates or other instruments representing the Securities subject to this Agreement will bear a legend substantially to the following effect:

"THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR SUCH LAWS.

(b) Upon request of the Investor to effect a sale of any Securities, upon receipt by the Company of an opinion of counsel reasonably satisfactory to the Company to the effect that the Investor or its transferee is not an "affiliate" and has not been an "affiliate" (within the meaning of Rule 144 promulgated under the Securities Act) for the preceding three months, the Company shall promptly cause any legend to be removed from any certificate for any Securities so to be Transferred. The

Investor acknowledges that the Securities have not been registered under the Securities Act or under any state securities laws and agrees that it will not sell or otherwise dispose of any of the Securities, except in compliance with the registration requirements or exemption provisions of the Securities Act and any other applicable securities laws.

4.6 Reservation for Issuance. The Company will reserve that number of (x) Common Shares sufficient for issuance upon conversion of Preferred Shares owned at any time by the Investor and (y) Series B Preferred Shares sufficient for issuance upon conversion of

Series C Preferred Shares owned at any time by the Investor without regard to any limitation on such conversion.

4.7 Certain Transactions. The Company will not merge or consolidate into, or sell, transfer or lease all or substantially all of its assets to, any other party unless the successor, transferee or lessee party, as the case may be (if not the Company), expressly assumes the due and punctual performance and observance of each and every covenant and condition of this Agreement to be performed and observed by the Company.

4.8 Extension Periods. Notwithstanding anything to the contrary contained in the Transaction Documents, if there exists a period (the "Section 16(b) Period") during which the Investor's purchase, sale, exercise, exchange or conversion of any Security pursuant to any Transaction Document would result in liability under Section 16(b) of the Exchange Act, as amended, or the rules and regulations promulgated thereunder, the period during which such Security may be purchased, sold, exercised, exchanged or converted, as the case may be, if prescribed by such Transaction Document, shall be extended for the equivalent number of days of such Section 16(b) Period (the "Extension Period"), with such Extension Period beginning on the later of (a) the expiration date of such Security, if any, or (b) the date of the end of such Section 16(b) Period.

4.9 Restrictions on Transfers. The Investor shall not Transfer any Preferred Stock to any person if such person (i) is a Company Competitor or (ii) has not executed a joinder agreement pursuant to which it has agreed to be bound by this Agreement as if it were a party hereto; provided that the foregoing transfer restrictions shall not apply to Transfers (1) pursuant to a merger, tender offer or other business combination, acquisition of assets or similar transaction or change or control involving the Company or any Company Subsidiary, provided that such transaction described in this clause (1) has been approved by the Company's Board of Directors or (2) a bona fide pledge to a financial institution which does not permit the financial institution to foreclose on such to shares of Preferred Stock without conversion (each, a "Permitted Transfer"). For purposes of this Section 4.9, (i) "Transfer" shall mean any sale, transfer, assignment, pledge or other disposition or encumbrance and (ii) "Company Competitor" shall mean any person that derives more than 10% of such persons' total annual revenues for its most recently completed fiscal year from a business that competes in a material way with a business that represents more than 5% of the consolidated revenues of the Company and its subsidiaries for its most recently completed fiscal year.

4.10 Proxy. At the Closing, the Investor and any Affiliate funds purchasing Securities at the Closing shall execute a deliver to the Company a proxy, substantially in the form of Exhibit 6 hereto, to vote all such Securities at the Meeting or at any adjournment or postponement thereof or at any subsequent meeting at which the stockholders shall vote to approve the Shareholder Approvals, in favor of the matters subject to the Shareholder Approvals and increasing the Company's authorized common stock to a number not more than 100,000,000 shares. The Investor acknowledges that the Company intends to propose a 2005 stock incentive plan (the terms of which have not been developed) for shareholder approval at the Meeting. The Investor and any such Affiliate funds shall not transfer such Securities without the transferee executing and delivering a similar proxy to the Company.

4.11 Withholding. The Company shall be entitled to deduct and withhold from amounts payable to the Investor or any of its Affiliate funds in respect of the Securities such amounts as it is required to deduct and withhold under applicable law. To the extent that amounts are so withheld by the Company, such withheld amounts shall be treated for all purposes as having been paid to the Investor or any such Affiliate fund in respect of which such deduction and withholding was made by the Company. Prior to the Investor or any of its Affiliate funds receiving any Securities, the Investor shall, and cause such Affiliate fund to, deliver to the Company a duly executed IRS Form W-9 or the appropriate IRS Form W-8, as applicable, and such other IRS forms as may reasonably requested by the Company from time to time. The Investor shall, and cause such Affiliate fund to, update all such IRS Forms, as appropriate, from time to time.

4.12 Liquidity Rights.

(a) At any time from and after the fifth anniversary of the

Funding, holders of at least 75% of the then outstanding shares of Series B Preferred Stock and shares of Series C Preferred Stock, considered as a single class, shall have the right to submit a request in writing (a "Liquidity Request") that the Company initiate a Recapitalization. The Company shall complete a Recapitalization, or at its sole election, a Remarketing within 120 days of receipt of a Liquidity Request. The Company shall notify the holders of the Series B Preferred Stock within 30 days of receipt of a Liquidity Request whether it has elected to complete a Recapitalization or a Remarketing. "Recapitalization" means a recapitalization of the Company in which each share of Series B Preferred Stock and Series C Preferred Stock outstanding as of the date of consummation of such transaction shall be reclassified and repaid in an amount equal to or in excess of the Liquidation Value (as defined in the Certificate of Designations relating to the Series B Preferred Stock)then in effect. "Remarketing" shall have the meaning set forth in Section 6(b) of the Certificate of Designations relating to the Series B Preferred Stock and shall be conducted in accordance with the terms of such section; provided that all references therein to the "Redemption Request" shall be deemed to be changed to "Liquidity Request".

(b) From and after the time, if any, that a Liquidity Request has been submitted, (a) no dividends shall be declared or paid or set apart for payment, or other distribution declared or made, upon any Junior Securities (as defined in the Certificate of Designations), nor shall any Junior Securities be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of shares of Common Stock made for purposes of any employee or director incentive or benefit plans or arrangements or the employee stock purchase plan of the Company or any subsidiary of the Company or the payment of cash in lieu of fractional shares in connection therewith) for any consideration (nor shall any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such Junior Securities) by the Company, directly or indirectly (except by conversion into or exchange for Junior Securities or the payment of cash in lieu of fractional shares in connection therewith) and (b) the Company shall not, directly or indirectly, make any payment on account of any purchase, redemption, retirement or other acquisition of any Parity Securities (as defined in the Certificate of Designations) (other than redemption of shares of Series C Preferred Stock on a pro rata basis with shares of Series B Preferred Stock or the redemption of shares of Series B Preferred Stock on a pro rata basis with shares of

Series C Preferred Stock, and other than for consideration payable solely in Junior Securities or the payment of cash in lieu of fractional shares in connection therewith) until no shares of Series B Preferred Stock or Series C Preferred Stock remain outstanding.

(c) Notwithstanding anything else contained in this Agreement, the rights contained in this Section 4.12 shall be freely transferrable to any person to whom Preferred Stock is Transferred as permitted by this Agreement.

ARTICLE V

TERMINATION

5.1 Termination. This Agreement shall be terminated (a) if the Escrow Deposit (as defined in the Escrow Agreement) shall have been released in accordance with the terms of Section 5 or Section 14(b) of the Escrow Agreement or (b) by mutual agreement.

5.2 Effects of Termination. In the event of any termination of this Agreement as provided in Section 5.1, this Agreement (other than Section 3.2, Section 3.3(b) and Article VI) shall forthwith become wholly void and of no further force and effect, and the rest of this Agreement shall remain in full force and effect.

ARTICLE VI

MISCELLANEOUS

6.1 Survival of Representations, Warranties, Agreements, Etc. Each of the representations and warranties set forth in this Agreement and the other Transaction Documents shall survive the Closing but only for a period of 18 months following the Closing Date and thereafter shall expire and have no further force and effect; provided that the representations and warranties in Section 2.2(c) and (d), shall survive indefinitely. Except as otherwise provided herein, all covenants and agreements contained herein shall survive for the duration of any statutes of limitations applicable thereto or until, by their respective terms, they are no longer operative.

6.2 Amendment. No amendment or waiver of any provision of this Agreement will be effective with respect to any party unless made in writing and signed by an officer of a duly authorized representative of such party.

6.3 Waiver. The conditions to each party's obligation to consummate the Purchase are for the sole benefit of such party and may be waived

by such party in whole or in part to the extent permitted by applicable law. No waiver will be effective unless it is in a writing signed by a duly authorized officer of the waiving party that makes express reference to the provision or provisions subject to such waiver.

6.4 Counterparts and Facsimile. For the convenience of the parties hereto, this Agreement may be executed in any number of separate counterparts, each such counterpart being

deemed to be an original instrument, and all such counterparts will together constitute the same agreement. Executed signature pages to this Agreement may be delivered by facsimile and such facsimiles will be deemed as sufficient as if actual signature pages had been delivered.

6.5 GOVERNING LAW; JURISDICTION. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE. THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY CONSENT TO SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK FOR ANY ACTIONS, SUITS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY

6.6 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6.7 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally or by telecopy or facsimile, upon confirmation of receipt, (b) on the first business day following the date of dispatch if delivered by a recognized next-day courier service, or (c) on the third business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

(a) If to the Investor:

Warburg, Pincus Private Equity VIII, L.P.
466 Lexington Avenue
New York, New York
Telecopy: (212) 716-5032
Attn: Charles Kaye
David Barr

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019-6150
Telecopy: (212) 403-2000
Attn: Andrew R. Brownstein, Esq.
David M. Silk, Esq.

(b) If to the Company:

Jarden Corporation
555 Theodore Fremd Avenue
Suite B-320

Rye, New York 10580
Telecopy: (914) 967-9405
Attn: Martin E. Franklin

with a copy to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019-6099
Telecopy: (212) 728-8111
Attn: William J. Grant, Jr.
Jeffrey S. Hochman

6.8 Entire Agreement, Etc. (a) This Agreement (including the Exhibits and Disclosure Schedules hereto) and the Escrow Agreement constitute the entire agreement, and supersede all other prior agreements, understandings, representations and warranties, both written and oral, between the parties, with respect to the subject matter hereof, and (b) except as contemplated by Section 1.4, this Agreement will not be assignable by operation of law or otherwise (any attempted assignment in contravention hereof being null and void).

6.9 Definitions of "subsidiary," "Affiliate" and "knowledge". (a) When a reference is made in this Agreement to a subsidiary of a person, the term "subsidiary" means those corporations and other entities of which such person owns or controls more than 50% of the outstanding equity securities either directly or through an unbroken chain of entities as to each of which more than 50% of the outstanding equity securities is owned directly or indirectly by its parent; provided, however, that there shall not be included any such entity to the extent that the equity securities of such entity were acquired in satisfaction of a debt previously contracted in good faith or are owned or controlled in a bona fide fiduciary capacity.

(b) The term "Affiliate" means, with respect to any person, any person directly or indirectly controlling, controlled by or under common control with, such other person. For purposes of this definition, "control" when used with respect to any person, means the possession, directly or indirectly, of the power to cause the direction of management and/or policies of such person, whether through the ownership of voting securities by contract or otherwise.

(c) The term "knowledge" or any similar formulation of knowledge shall mean, (i) in the case of the Company, the actual knowledge after due inquiry of an executive officer of the Company (which due inquiry shall include reasonable inquiry of the direct reports to such executive officer and appropriate senior executives of the Company Subsidiaries) and (ii) in the case of the Investor, the actual knowledge after due inquiry of a managing director of the entity that manages the Investor.

6.10 Captions. The Article, Section and paragraph captions herein are for convenience of reference only, do not constitute part of this Agreement and will not be deemed to limit or otherwise affect any of the provisions hereof.

6.11 Severability. If any provision of this Agreement or the application thereof to any person (including, without limitation, the officers and directors of the Investor and the Company) or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties.

6.12 No Third Party Beneficiaries. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity other than the parties hereto or permitted transferees of the Investor, any benefit right or remedies, except that the provisions of Section 4.2 and Section 4.12 shall inure to the benefit of the persons referred to in those Sections.

6.13 Time of Essence. Time is of the essence in the performance of each and every term of this Agreement.

6.14 Specific Performance. The transactions contemplated by this Agreement are unique. Accordingly, the Company and the Investor acknowledge and agree that, in addition to all other remedies to which it may be entitled, each of the parties hereto is entitled to a decree of specific performance, provided that such party hereto is not in material default hereunder. The parties hereto agree that, if for any reason a party shall have failed to perform its obligations under this Agreement, then the party seeking to enforce this Agreement against such nonperforming party shall be entitled to specific performance and injunctive and other equitable relief, and the parties further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief. This provision is without prejudice to any other rights that any party may have against another party for any failure to perform its obligations under this Agreement including the right to seek damages for a material breach of any provision of this Agreement.

6.15 Certain Adjustments. The parties recognize that the terms of the Securities and this Agreement provide for a variety of antidilution, preemptive and other similar rights and adjustments. It is the parties' intention that these rights and adjustments shall be given effect in a manner that produces fair and equitable results in the circumstances. In the event the Company shall at any time after the date of this Agreement (A) declare a dividend on the Common Shares payable in Common Shares, (B) subdivide the outstanding Common Shares, (C) combine the outstanding Common Shares into a smaller number of Common Shares or (D) issue any shares of its capital stock in a reclassification of the Common Shares (including any such reclassification in connection with a share exchange, consolidation or merger in which the Company is the continuing or surviving corporation)(whether or not permitted by this Agreement), except as otherwise set forth herein, the prices, price ranges and trigger points in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of shares of capital stock issuable on such date, shall be

proportionately adjusted so that the Investor after such time shall be entitled

to purchase the aggregate number and kind of shares of capital stock which, had the respective transaction contemplated by this Agreement taken place immediately prior to such date, the Investor would have entitled to acquire upon consummation of such transaction or been entitled to receive by virtue of such dividend, subdivision, combination or reclassification.

* * *

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of the parties hereto as of the date first herein above written.

JARDEN CORPORATION

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Senior Vice President

WARBURG PINCUS
PRIVATE EQUITY VIII, L.P.

By: Warburg, Pincus & Co.,
its General Partner

By: /s/ Charles R. Kaye

Name: Charles R. Kaye
Title: Partner

EXHIBIT 1

CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RIGHTS OF SERIES B CONVERTIBLE PARTICIPATING PREFERRED STOCK
OF
JARDEN CORPORATION

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

The undersigned, pursuant to the provisions of Sections 103 and 151 of the General Corporation Law of the State of Delaware, do hereby certify that, pursuant to the authority expressly vested in the Board of Directors of Jarden Corporation, a Delaware corporation (the "CORPORATION"), by the Corporation's Certificate of Incorporation, the Board of Directors has duly provided for the issuance of and created a series of Preferred Stock of the Corporation, par value $0.01 per share (the "PREFERRED STOCK"), and in order to fix the designation and amount and the voting powers, designations, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions, of a series of Preferred Stock, has duly adopted this Certificate of Designations, Preferences and Rights of Preferred Stock (the "CERTIFICATE").

Each share of such series of Preferred Stock shall rank equally in all respects and shall be subject to the following provisions:

1. NUMBER OF SHARES AND DESIGNATION. 500,000 shares of Preferred Stock of the Corporation shall constitute a series of Preferred Stock designated as Series B Convertible Participating Preferred Stock (the "SERIES B PREFERRED STOCK"). The number of shares of Series B Preferred Stock may be increased (to the extent of the Corporation's authorized and unissued Preferred Stock) or decreased (but not below sum of the number of shares of Series B Preferred Stock then outstanding and the number of shares of Series B Preferred Stock issuable upon conversion of all then-outstanding shares of Series C Mandatory Convertible Participating Preferred Stock (the "SERIES C PREFERRED STOCK")) by further resolution duly adopted by the Board of Directors and the filing of a certificate of increase or decrease, as the case may be, with the Secretary of State of Delaware.

2. RANK. The Series B Preferred Stock shall, with respect to payment of dividends, redemption payments, rights upon liquidation, dissolution or winding up of the affairs of the Corporation, or otherwise (i) rank senior and prior to the Common Stock, and each other class or series of equity securities of the Corporation, whether currently issued or issued in the future, that by its terms ranks junior to the Series B Preferred Stock (whether with respect to payment of dividends, redemption payments, rights upon liquidation, dissolution or winding up of the affairs of the Corporation, or otherwise) (all of such equity securities, including the Common Stock, are collectively referred to herein as the "JUNIOR SECURITIES"), (ii) rank on a parity with each other class or series of equity securities of the Corporation, whether currently issued or issued in the future, that does not by its terms expressly provide that it ranks senior to or junior to the Series B Preferred Stock (whether with respect to payment of dividends, redemption payments, rights upon liquidation, dissolution or winding up of the affairs of the Corporation, or otherwise) (all of such equity securities are collectively referred to herein as the "PARITY SECURITIES"), and

(iii) rank junior to each other class or series of equity securities of the Corporation, whether currently issued or issued in the future, that by its terms ranks senior to the Series B Preferred Stock (whether with respect to payment of dividends, redemption payments, rights upon liquidation, dissolution or winding up of the affairs of the Corporation, or otherwise) (all of such equity securities are collectively referred to herein as the "SENIOR SECURITIES"). The respective definitions of Junior Securities, Parity Securities and Senior Securities shall also include any rights or options exercisable or exchangeable for or convertible into any of the Junior Securities, Parity Securities or Senior Securities, as the case may be. Shares of Series C Preferred Stock issued in accordance with the terms of the Purchase Agreement are Parity Securities. At the date of the initial issuance of the Series B Preferred Stock there will be no Parity Securities other than the Series C Preferred Stock and no Senior Securities authorized or outstanding.

3. DIVIDENDS.

(a) The holders of shares of Series B Preferred Stock shall be entitled to receive out of funds legally available for the payment of dividends, dividends on the terms described below:

(i) Holders of shares of Series B Preferred Stock shall be entitled to participate equally and ratably with the holders of shares of Common Stock and holders of shares of Series C Preferred Stock in all dividends and distributions paid (whether in the form of cash, stock or otherwise, and including any dividend or distribution of shares of stock or other equity of any Person other than the

Corporation, evidences of indebtedness of any Person including without limitation the Corporation or any Subsidiary and any other assets) on the shares of Common Stock as if immediately prior to each record date for the Common Stock, shares of Series B Preferred Stock then outstanding were converted into shares of Common Stock (in the manner described in Section 7 without regard to any limitations contained therein); provided, however, that the holders of shares of Series B Preferred Stock shall not be entitled to participate in any such dividend or distribution if an adjustment to the Conversion Price shall be required with respect to such dividend or distribution pursuant to Section 7(c) hereof and a similar adjustment is made with respect to the Series C Preferred Stock;

(ii) In addition to any dividends paid pursuant to Section 3(a)(i), in respect of each three-month period beginning with the three month period ending [December [ ]], 2009[DATE TO CORRESPOND TO 90 DAYS AFTER THE FUNDING DATE, 2009], the Corporation shall pay, when and as declared by the Board of Directors, out of funds legally available therefor a quarterly cash dividend on each share of Series B Preferred Stock at an annual rate, subject to clause (iii) below, equal to 4.00% of the Base Liquidation Value then in effect (such rate, the "DIVIDEND RATE"); and

(iii) If the Corporation shall have failed to pay (in whole or in part) any dividend contemplated by Section 3(a)(ii) hereof, the Dividend Rate referred to in Section 3(a)(ii) above shall be increased to 10.00% of the Base Liquidation Value then in effect, beginning on the first day of the Dividend Period (as defined below) after the Dividend Period with respect to which the failure to pay (in whole or in part) dividends relates and continuing thereafter until the first day of the Dividend Period succeeding the Dividend

Period as of which all dividends contemplated by Section 3(a)(ii) and this Section 3(a)(iii) have been paid in full.

(iv) Dividends payable pursuant to Section 3(a)(i) shall be payable on the same date that such dividends are payable to holders of shares of Common Stock, and no dividends shall be payable to holders of shares of Common Stock unless dividends contemplated by Section 3(a)(i) are also paid at the same time in respect of the Series B Preferred Stock. Dividends payable pursuant to Section 3(a)(ii) shall be payable quarterly in arrears on [March [ ], June [ ], September[ ] and December [ ]] [DATES TO CORRESPOND TO THE FUNDING DATE AND CORRESPONDING DAYS IN EACH QUARTER] of each year with the first payment to be made on [December [ ], 2009][DATE TO CORRESPOND TO 90 DAYS AFTER THE FUNDING DATE, 2009] (unless such day is not a Business Day (as defined below), in which event such dividends shall be payable on the next succeeding Business Day) (each such payment date being a "DIVIDEND PAYMENT DATE" and the period from the fifth anniversary of the Initial Funding Date until the first Dividend Payment Date and each such quarterly period thereafter being a "DIVIDEND PERIOD"). The amount of dividends payable on any shares of the Series B Preferred Stock for any period in which such shares are outstanding that is shorter or longer than a full Dividend Period, shall be computed on the basis of a 360-day year of twelve 30-day months. As used herein, the term "BUSINESS DAY" means any day except a Saturday, Sunday or day on which banking institutions are legally authorized to close in the City of New York.

(b) Dividends on the Series B Preferred Stock provided for in Section 3(a)(ii) and Section 3(a)(iii) shall be cumulative and shall accrue on a daily basis whether or not declared and whether or not in any fiscal year there shall be funds legally available therefor, so that if in any Dividend Period, dividends contemplated by Section 3(a)(ii) and Section 3(a)(iii) in whole or in part are not paid upon the Series B Preferred Stock, unpaid dividends shall accumulate as against the holders of Parity Securities and Junior Securities.

(c) Each dividend shall be payable to the holders of record of shares of Series B Preferred Stock as they appear on the stock records of the Corporation at the close of business on such record dates (each, a "DIVIDEND PAYMENT RECORD DATE"), which (i) with respect to dividends payable pursuant to Section 3(a)(i), shall be the same day as the record date for the payment of dividends to the holders of shares of Common Stock and, (ii) with respect to dividends payable pursuant to Section 3(a)(ii), shall be not more than 30 days nor less than 10 days preceding the applicable Dividend Payment Date.

(d) From and after the time, if any, that (x) a holder of any shares of Series B Preferred Stock has delivered notice to the Corporation pursuant to Section 6(a) of its intention to exercise its redemption rights under Section 5, or (y) the Corporation shall have failed to pay any dividend contemplated by Section 3(a) hereof, (a) no dividends shall be declared or paid or set apart for payment, or other distribution declared or made, upon any Junior Securities, nor shall any Junior Securities be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of shares of Common Stock made for purposes of any employee or director incentive or benefit plans or arrangements of the Corporation or any subsidiary of the Corporation or the payment of cash in lieu of fractional shares in connection therewith) for any

consideration (nor shall any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such Junior Securities) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Securities or the payment of cash in lieu of fractional shares in connection therewith) and (b) the Corporation shall not, directly or indirectly, make any payment on account of any purchase, redemption, retirement or other acquisition of any Parity Securities (other than redemption of shares of Series C Preferred Stock on a pro rata basis with shares of Series B Preferred Stock, and other than for consideration payable solely in Junior Securities or the payment of cash in lieu of fractional shares in connection therewith) until, in the event of clause (x), no shares of Series B Preferred Stock remain outstanding, and in event of clause (y), all such dividends have been paid in full.

4. LIQUIDATION PREFERENCE.

(a) "BASE LIQUIDATION VALUE" means (x) $1,000.00 per share (the "ORIGINAL LIQUIDATION VALUE"), which amount shall thereafter accrete daily at the annual rate of 3.50%, compounded annually, computed on the basis of a 360 day year of twelve 30 day months from the Initial Funding Date through but not including the fifth anniversary of the Initial Funding Date plus (y) any accrued but unpaid dividends thereon; provided, however, that for purposes of determining the Base Liquidation Value of any shares of Series B Preferred Stock issued after the date on which shares of Series B Preferred Stock were first issued (the "INITIAL ISSUANCE DATE") as a result of the mandatory conversion of the Series C Preferred Stock, such accretion shall commence from the date of issuance of such shares. As used herein, "accrued" dividends means dividends declared or contemplated to be declared or paid pursuant to Section 3 hereof on the Preferred Stock, but not yet paid.

(b) "LIQUIDATION VALUE" means (1) in the event of a Change in Control prior to the fifth anniversary of the Initial Funding Date providing for the payment of an amount per share of Common Stock below the applicable Change in Control Threshold Price, the amount by which the Original Liquidation Value would have otherwise equaled had it accreted at the annual rate of 10.00%, compounded annually, computed on the basis of a 360 year of twelve 30 day months from the Initial Funding Date through but not including the date of consummation of the Change in Control plus any declared but unpaid dividends on the Common Stock that, if paid prior to the Change in Control, would be payable to holders of shares of Series B Preferred Stock pursuant to Section 3(a)(i) hereof (less, in the case of any shares of Series B Preferred Stock issued after the Initial Issuance Date as a result of the mandatory conversion of shares of Series C Preferred Stock, the accrual on such Series C Preferred Stock prior to such mandatory conversion pursuant to Section 4(a) of the Series C Preferred Stock Certificate of Designations), (2) from and after the fifth anniversary of the Initial Funding Date, (x) the Base Liquidation Value plus (y) $462.31 per share and (3) otherwise, the Base Liquidation Value; provided, however, that for purposes of determining the number of shares of Common Stock into which the Series B Preferred Stock may be converted pursuant to Section 7 hereof, Liquidation Value shall always mean the Base Liquidation Value.

(c) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series B Preferred Stock shall be entitled to receive the greater of (i) the Liquidation Value of such shares in effect on the date of such liquidation, dissolution or winding up or (ii) the payment such holders would have received had such holders, immediately prior to such liquidation, dissolution or winding up, converted their shares of Series B Preferred Stock into shares of Common Stock (pursuant to, and at a conversion rate described in, Section 7 without regard to any limitations contained therein).

(d) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series B Preferred Stock (i) shall not be entitled to receive the Liquidation Value of such shares until payment in full or provision has been made for the payment in full of all claims of creditors of the Corporation and the liquidation preferences for all Senior Securities, and (ii) shall be entitled to receive the Liquidation Value of such shares before any payment or distribution of any assets of the Corporation shall be made or set apart for holders of any Junior Securities. Subject to clause (i) above, if the assets of the Corporation are not sufficient to pay in full the Liquidation Value payable to the holders of shares of Series B Preferred Stock and the liquidation preference payable to the holders of any Parity Securities, then such assets, or the proceeds thereof, shall be distributed among the holders of shares of Series B Preferred Stock and any such other Parity Securities ratably in accordance with the Liquidation Value and the liquidation preference for the Parity Securities, respectively.

(e) Neither a consolidation or merger of the Corporation with or into any other entity, nor a merger of any other entity with or into the Corporation, nor a sale or transfer of all or any part of the Corporation's assets for cash, securities or other property shall by itself be considered a liquidation, dissolution or winding up of the Corporation within the meaning of this

Section 4.

5. CHANGE IN CONTROL.

Upon a Change in Control, holders of the outstanding shares of Series B Preferred Stock may, at their election:

(a) convert the Series B Preferred Stock into Common Stock in accordance with the provisions of Section 7 hereof and receive the Change in Control Consideration upon conversion;

(b) in lieu of receiving any liquidation preference in respect of such Series B Preferred Stock upon such Change in Control, continue to hold the Series B Preferred Stock in any surviving entity resulting from such Change in Control or, in the case of a sale of the Corporation's assets which results in a Change in Control, the entity purchasing such assets, provided, however, that the provisions hereof (including but not limited to the provisions of Section 7 following the date of such Change in Control) shall continue to remain in effect with respect to such Series B Preferred Stock; or

(c) within sixty days after the Change in Control Date, request, in lieu of receiving the Change in Control Consideration, that the Corporation redeem, out of funds lawfully available for the redemption of shares, the Series B Preferred Stock (the "REDEMPTION REQUEST") for an amount in cash equal to the Liquidation Value as of the Redemption Date and after giving effect to the Change in Control; provided, that the Corporation may, in lieu of making the redemption so requested, effect a Remarketing pursuant to Section 6(b). Promptly but in any event within five days after receipt of the Redemption Request, the Corporation shall provide a written notice to all holders of the Series B Preferred Stock setting forth whether it will redeem the Series B Preferred Stock or effect a Remarketing. In the event the Corporation elects to redeem the Series B Preferred Stock, the Series B Preferred Stock shall be redeemed in accordance with Section 6(a). In the event the Corporation elects to effect a Remarketing, the Remarketing shall be

effected in accordance with Section 6(b) (as long as such Remarketing is effected within 120 days after making a Redemption Request).

(d) As used in this Section 5, "CHANGE IN CONTROL CONSIDERATION" means the shares of stock, securities, cash or other property issuable or payable (as part of any reorganization, reclassification, consolidation, merger or sale in connection with the Change in Control) with respect to or in exchange for such number of outstanding shares of Common Stock as would have been received upon conversion of the Series B Preferred Stock at the Conversion Price for such Series B Preferred Stock then in effect.

6. PROCEDURES FOR REDEMPTION AND REMARKETING.

(a)(i) In the event of a redemption of shares of Series B Preferred Stock pursuant to Section 5, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 10 days nor more than 20 days prior to the Redemption Date, to the office of the Corporation, in the event of redemption pursuant to Section 5(a). Such notice shall state the date on which the holder is to surrender to the Corporation the certificates for any shares to be redeemed (such date, or if such date is not a Business Day, the first Business Day thereafter, the "REDEMPTION DATE"). Any notice mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Corporation receives the notice.

(ii) Upon surrender in accordance with the notice of redemption of the certificates for any shares so redeemed, such shares shall be redeemed by the Corporation at the redemption price aforesaid with payment of such redemption price being made on the Redemption Date by wire transfer of immediately available funds to the account specified by the holder of the shares redeemed. Such redemption shall be effective on the Redemption Date, notwithstanding any failure of such holders to deliver such certificates, provided that the Redemption Price has either been paid to each holder on or prior to such date or deposited in a bank in a separate trust account for the sole benefit of the holders.

(b)(i) In the event the Corporation shall elect to effect a Remarketing, the Corporation shall adjust the dividend rate on the Preferred Stock to the rate (as of the date of the Remarketing) necessary in the opinion of a nationally recognized investment banking firm (selected by the Corporation and reasonably acceptable to the holders of at least a majority of the outstanding shares of Series B Preferred Stock) (the "REMARKETING AGENT") to allow the Remarketing Agent to resell all of the Preferred Stock on behalf of all holders who have delivered a Redemption Request (such resale, the "REMARKETING") at a price of not less than 100% (after deduction of fees for the Remarketing Agent) of the Liquidation Value then in effect (such adjusted dividend rate, the "ADJUSTED RATE").

(ii) In the event the Corporation elects to effect a Remarketing:

(A) notwithstanding any provision in this Certificate of Designations to the contrary, the Adjusted Rate shall be effective as of the Redemption Request;

(B) the Corporation shall cause the Remarketing Agent to effect the Remarketing within 120 days of the Redemption Request; and

(C) the Corporation shall use its reasonable best efforts (together with the Remarketing Agent) to facilitate a Remarketing in accordance with the terms hereof.

(iii) Any Remarketing shall be on such terms that (A) provide for the immediate disbursement of proceeds from the Remarketing in an amount of not less than 100% (after deduction of fees for the Remarketing Agent) of the Liquidation Value then in effect to the holders of Series B Preferred Stock in cash, without any escrows, holdbacks or similar arrangements and (B) do not contain any representations (other than with respect to ownership of the shares of Series B Preferred Stock), indemnities, liabilities or other provisions imposing any obligation on the holders of the Series B Preferred Stock, other than the obligation to tender the certificates representing the shares of Series B Preferred Stock to the Remarketing Agent. Each such certificate shall bear a legend to the effect that each share of Series B Preferred Stock shall be subject to the remarketing provisions contained in this Section 6.

7. CONVERSION.

(a) Right to Convert.

(i) Subject to the provisions of this Section 7, each holder of shares of Series B Preferred Stock shall have the right, at any time and from time to time, at such holder's option, to convert any or all of such holder's shares of Series B Preferred Stock, in whole or in part, into fully paid and non-assessable shares of Common Stock at the conversion price equal to $32.00, subject to adjustment as described in Section 7(c) (as adjusted from time to time, the "CONVERSION PRICE"). The number of shares of Common Stock into which a share of the Series B Preferred Stock shall be convertible (calculated as to each conversion to the nearest 1/1,000th of a share) shall be determined by dividing the Base Liquidation Value in effect at the time of conversion, by the Conversion Price in effect at the time of conversion.

(ii) From and after the closing of the AHI Acquisition, subject to the provisions of this Section 7, the Corporation shall have the right to require the holders of shares of Series B Preferred Stock, from time to time, at the Corporation's option, to convert the holders' shares of Series B Preferred Stock, in whole or in part (on a pro rata basis), into fully paid and non-assessable shares of Common Stock at the Conversion Price, but only if at the time the Corporation exercises this option, (A) the Registration Statement (as defined in the Purchase Agreement) has been declared effective and continues to be effective, (B) the average Market Price of the Common Stock for each Trading Day during a period of 30 consecutive Trading Days ended within 10 days prior to the date the Corporation exercises this option exceeds 175% of the Conversion Price and (C) the Market Price of the Common Stock during such period exceeds 175% of the Conversion Price for 15 consecutive Trading Days during the period referred to in clause (B). The number of shares of Common Stock into which a share of the Series B Preferred Stock shall be convertible (calculated as to each conversion to the nearest 1/1,000th of a share)

shall be determined by dividing the Base Liquidation Value in effect at the time of conversion by the Conversion Price in effect at the time of conversion.

(iii) Notwithstanding anything in this Certificate to the contrary, prior to receipt of the Conversion Approval (as defined in the Purchase Agreement), the Series B Preferred Stock shall not be convertible into such number of shares of Common Stock that, together with the shares of Common Stock issued pursuant to the Purchase Agreement, equals or exceeds 20% of the outstanding Common Stock (including securities convertible to or exercisable for Common Stock), computed in accordance with the rules of the New York Stock Exchange in the event that such issuance would otherwise require the approval of the stockholders of the Corporation under the rules of the New York Stock Exchange (the "COMMON STOCK LIMIT"). In the event of any adjustment pursuant to this clause (iii), the number of shares of Series B Preferred Stock initially issued shall be reduced to that

number of shares that are convertible into the Common Stock Limit and the shares so reduced shall become shares of Series C Preferred Stock and the holder of such shares of Series C Preferred Stock shall be entitled to all rights and privileges of holders of shares of Series C Preferred Stock from, and as if such shares were issued on, the Initial Funding Date.

(b) Mechanics of Conversion.

(i) A holder of shares of Series B Preferred Stock or the Corporation, as the case may be, that elects to exercise its conversion rights pursuant to Section 7(a) shall provide notice to the other party as follows:

(A) Holder's Notice and Surrender. To exercise its conversion right pursuant to Section 7(a)(i), a holder of shares of Series B Preferred Stock to be converted shall surrender the certificate or certificates representing such shares at the office of the Corporation (or any transfer agent of the Corporation previously designated by the Corporation to the holders of Series B Preferred Stock for this purpose) with a written notice of election to convert, completed and signed, specifying the number of shares to be converted.

(B) Corporation's Notice. To exercise its conversion right pursuant to Section 7(a)(ii), the Corporation shall deliver written notice to such holder, at least 10 days and no more than 20 days prior to the Conversion Date, specifying: (i) the number of shares of Series B Preferred Stock to be converted and, if fewer than all the shares held by such holder are to be converted, the number of shares to be converted by such holder; (ii) the Conversion Date; (iii) the number of shares of Common Stock to be issued in respect of each share of Series B Preferred Stock that is converted; (iv) the place or places where certificates for such shares are to be surrendered for issuance of certificates representing shares of Common Stock; and (v) that dividends on the shares to be converted will cease to accrue on such Conversion Date.

Unless the shares issuable upon conversion are to be issued in the same name as the name in which such shares of Series B Preferred Stock are registered, each share surrendered

for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder thereof or such holder's duly authorized attorney and an amount sufficient to pay any transfer or similar tax in accordance with Section 7(b)(vi). Within two Business Days after the surrender by the holder of the certificates for shares of Series B Preferred Stock as aforesaid, the Corporation shall issue and shall deliver to such holder, or on the holder's written order to the holder's transferee, a certificate or certificates for the whole number of shares of Common Stock issuable upon the conversion of such shares and a check payable in an amount corresponding to any fractional interest in a share of Common Stock as provided in Section 7(b)(vii).

(ii) Each conversion shall be deemed to have been effected immediately prior to the close of business on (x) in the case of conversion pursuant to Section 7(a)(i), the first Business Day on which the certificates for shares of Series B Preferred Stock shall have been surrendered and such notice received by the Corporation as aforesaid and (y) in the case of conversion pursuant to Section 7(a)(ii) the date specified as the Conversion Date in the Corporation's notice of conversion delivered to each holder pursuant to Section 7(b)(i)(B) (in either case, the "CONVERSION DATE"). At such time on the Conversion Date:

(A) the person in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder of record of the shares of Common Stock represented thereby at such time; and

(B) such shares of Series B Preferred Stock so converted shall no longer be deemed to be outstanding, and all rights of a holder with respect to such shares (x) in the event of conversion pursuant to Section 7(a)(i), surrendered for conversion and (y) in the event of conversion pursuant to Section 7(a)(ii), covered by the Corporation's notice of conversion, shall immediately terminate except the right to receive the Common Stock and other amounts payable pursuant to this Section 7.

All shares of Common Stock delivered upon conversion of the Series B Preferred Stock will, upon delivery, be duly and validly authorized and issued, fully paid and nonassessable, free from all preemptive rights

and free from all taxes, liens, security interests and charges (other than liens or charges created by or imposed upon the holder or taxes in respect of any transfer occurring contemporaneously therewith).

(iii) Holders of shares of Series B Preferred Stock at the close of business on a Dividend Payment Record Date shall be entitled to receive the dividend payable on such shares on the corresponding Dividend Payment Date notwithstanding the conversion thereof following such Dividend Payment Record Date and prior to such Dividend Payment Date. A holder of shares of Series B Preferred Stock on a Dividend Payment Record Date who (or whose transferee) tenders any such shares for conversion into shares of Common Stock on such Dividend Payment Date will be entitled to receive the dividend payable by the Corporation on such shares of Series B Preferred Stock, and the convert-

ing holder need not include payment of the amount of such dividend upon surrender of shares of Series B Preferred Stock for conversion.

(iv) The Corporation will at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, solely for the purpose of effecting conversions of the Series B Preferred Stock, the aggregate number of shares of Common Stock issuable upon conversion of the Series B Preferred Stock. The Corporation will procure, at its sole expense, the listing of the shares of Common Stock, subject to issuance or notice of issuance, on the principal domestic stock exchange on which the Common Stock is then listed or traded. The Corporation will take all commercially reasonable action as may be necessary to ensure that the shares of Common Stock may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the shares of Common Stock are listed or traded.

(v) Issuances of certificates for shares of Common Stock upon conversion of the Series B Preferred Stock shall be made without charge to any holder of shares of Series B Preferred Stock for any issue or transfer tax (other than taxes in respect of any transfer occurring contemporaneously therewith or as a result of the holder being a non-U.S. person) or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Corporation; provided, however, that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance or delivery of shares of Common Stock in a name other than that of the holder of the Series B Preferred Stock to be converted, and no such issuance or delivery shall be made unless and until the person requesting such issuance or delivery has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

(vi) In connection with the conversion of any shares of Series B Preferred Stock, no fractions of shares of Common Stock shall be issued, but in lieu thereof the Corporation shall pay a cash adjustment in respect of such fractional interest in an amount equal to such fractional interest multiplied by the Market Price per share of Common Stock on the Conversion Date.

(vii) If fewer than all of the outstanding shares of Series B Preferred Stock are to be converted pursuant to Section 7(a)(ii), the shares shall be converted on a pro rata basis (according to the number of shares of Series B Preferred Stock held by each holder, with any fractional shares rounded to the nearest whole share or in such other manner as the Board of Directors may determine, as may be prescribed by resolution of the Board of Directors).

(c) Adjustments to Conversion Price. The Conversion Price shall be adjusted from time to time as follows:

(i) Common Stock Issued at Less than Market Value. If the Corporation issues or sells any Common Stock other than Excluded Stock without consideration or for consideration per share less than the Market Price of the Common Stock, as of the day of such issu

ance or sale, the Conversion Price in effect immediately prior to each such issuance or sale will immediately (except as provided below) be reduced to the price determined by multiplying (A) the Conversion Price at which shares of Series B Preferred Stock were theretofore convertible by (B) a fraction of which the numerator shall be the sum of (1) the number of shares of Common Stock outstanding immediately prior to such issuance or sale and (2) the number of additional shares of Common Stock that the aggregate consideration received by the Corporation for the number of shares of Common Stock so offered would purchase at the Market Price per share of Common Stock on the last Trading Day immediately preceding such issuance or sale, and of which

the denominator shall be the number of shares of Common Stock outstanding immediately after such issuance or sale. For the purposes of any adjustment of the Conversion Price pursuant to this Section 7(c), the following provisions shall be applicable:

(A) In the case of the issuance of Common Stock for cash, the amount of the consideration received by the Corporation shall be deemed to be the amount of the cash proceeds received by the Corporation for such Common Stock before deducting therefrom any discounts or commissions allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(B) In the case of the issuance of Common Stock (otherwise than upon the conversion of shares of Capital Stock or other securities of the Corporation) for a consideration in whole or in part other than cash, including securities acquired in exchange therefor (other than securities by their terms so exchangeable), the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors, provided, however, that such fair value as determined by the Board of Directors shall not exceed the aggregate Market Price of the shares of Common Stock being issued as of the date the Board of Directors authorizes the issuance of such shares.

(C) In the case of the issuance of (a) options, warrants or other rights to purchase or acquire Common Stock (whether or not at the time exercisable) or (b) securities by their terms convertible into or exchangeable for Common Stock (whether or not at the time so convertible or exchangeable) or options, warrants or rights to purchase such convertible or exchangeable securities (whether or not at the time exercisable):

(1) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options, warrants or other rights to purchase or acquire Common Stock shall be deemed to have been issued at the time such options, warrants or rights are issued and for a consideration equal to the consideration (determined in the manner provided in Section 7(c)(i) (A) and (B)), if any, received by the Corporation upon the issuance of such options, warrants or rights plus the minimum purchase price provided in such options, warrants or rights for the Common Stock covered thereby;

(2) the aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such convertible or exchangeable securities, or upon the exercise of options, warrants or other rights to purchase or acquire such convertible or exchangeable securities and the subsequent conversion or exchange thereof, shall be deemed to have been issued at the time such securities were issued or such options, warrants or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options, warrants or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the additional consideration (determined in the manner provided in Section 7(c)(i) (A) and (B)), if any, to be received by the Corporation upon the conversion or exchange of such securities, or upon the exercise of any related options, warrants or rights to purchase or acquire such convertible or exchangeable securities and the subsequent conversion or exchange thereof;

(3) on any change in the number of shares of Common Stock deliverable upon exercise of any such options, warrants or rights or conversion or exchange of such convertible or exchangeable securities or any change in the consideration to be received by the Corporation upon such exercise, conversion or exchange, but excluding changes resulting from the anti-dilution provisions thereof (to the extent comparable to the anti-dilution provisions contained herein), the Conversion Price as then in effect shall forthwith be readjusted to such Conversion Price as would have been obtained had an adjustment been made upon the issuance of such options, warrants or rights not exercised prior to such change, or of such

convertible or exchangeable securities not converted or exchanged prior to such change, upon the basis of such change;

(4) on the expiration or cancellation of any such options, warrants or rights (without exercise), or the termination of the right to convert or exchange such convertible or exchangeable securities (without exercise), if the Conversion Price shall have been adjusted upon the issuance thereof, the Conversion Price shall forthwith be readjusted to such Conversion Price as would have been obtained had an adjustment been made upon the issuance of such options, warrants, rights or such convertible or exchangeable securities on the basis of the issuance of only the number of shares of Common Stock actually issued upon the exercise of such options, warrants or rights, or upon the conversion or exchange of such convertible or exchangeable securities; and

(5) if the Conversion Price shall have been adjusted upon the issuance of any such options, warrants, rights or convertible or exchangeable securities, no further adjustment of the Conversion Price shall be made for the actual issuance of Common Stock upon the exercise, conversion or exchange thereof.

(ii) Stock Splits, Subdivisions, Reclassifications or Combinations. If the Corporation shall (1) declare a dividend or make a distribution on its Common Stock in shares of Common Stock, (2) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (3) combine or reclassify the outstanding Common Stock into a smaller number of shares, the Conversion Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by multiplying the Conversion Price at which the shares of Series B Preferred Stock were theretofore convertible by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action, and the denominator of which shall be the number of shares of Common Stock outstanding immediately following such action.

(iii) Certain Repurchases of Common Stock. In case the Corporation effects a Pro Rata Repurchase of Common Stock, then the Conversion Price shall be reduced to the price determined by multiplying the Conversion Price in effect immediately prior to the effective date of such Pro Rata Repurchase by a fraction of which the numerator shall be the product of the number of shares of Common Stock outstanding (including any tendered or exchanged shares) at such effective date, multiplied by the Market Price per share of Common Stock on the Trading Day next succeeding such effective date, and the denominator of which shall be the sum of (A) the fair market value of the aggregate consideration payable to stockholders based upon the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of all shares validly tendered or exchanged and not withdrawn as of such effective date (the shares deemed so accepted, up to any maximum, being referred to as the "PURCHASED SHARES") and (B) the product of the number of shares of Common Stock outstanding (less any Purchased Shares) at such effective date and the Market Price per share of Common Stock on the Trading Day next succeeding such effective date, such reduction to become effective immediately prior to the opening of business on the day following such effective date.

(iv) Business Combinations. In case of any Business Combination or reclassification of Common Stock (other than a reclassification of Common Stock referred to in Section 7(c)(ii)), lawful provision shall be made as part of the terms of such Business Combination or reclassification whereby the holder of each share of Series B Preferred Stock then outstanding shall have the right thereafter to convert such share only into the kind and amount of securities, cash and other property receivable upon the Business Combination or reclassification by a holder of the number of shares of Common Stock into which a share of Series B Preferred Stock would have been convertible immediately prior to the Business Combination or reclassification. The Corporation, the Person formed by the consolidation or resulting from the merger or which acquires such assets or which acquires the Corporation's shares, as the case may be, shall make provisions in its certificate or articles of incorporation or other constituent documents to establish such rights and to ensure that the dividend, voting and other rights of the holders of Series B Preferred Stock established herein are unchanged, except as permitted by Section 9 or as required by applicable law. The certificate or articles of incorporation or other constituent documents shall provide for adjustments, which, for events subsequent to the effective date of

the certificate or articles of incorporation or other constituent documents,

shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 7.

(v) Successive Adjustments. Successive adjustments in the Conversion Price shall be made, without duplication, whenever any event specified in Sections 7(c)(i), (ii), (iii) or (iv) shall occur.

(vi) Rounding of Calculations; Minimum Adjustments. All calculations under this Section 7(c) shall be made to the nearest one-tenth (1/10th) of a cent. No adjustment in the Conversion Price is required if the amount of such adjustment would be less than $0.01; provided, however, that any adjustments which by reason of this Section 7(c)(vi) are not required to be made will be carried forward and given effect in any subsequent adjustment.

(vii) Adjustment for Unspecified Actions. If the Corporation takes any action affecting the Common Stock, other than action described in this Section 7(c), which in the opinion of the Board of Directors would materially adversely affect the conversion rights of the holders of shares of Series B Preferred Stock, the Conversion Price may be adjusted, to the extent permitted by law, in such manner, if any, and at such time, as such Board of Directors may determine in good faith to be equitable in the circumstances. Failure of the Board of Directors to provide for any such adjustment prior to the effective date of any such action by the Corporation affecting the Common Stock will be evidence that the Board of Directors has determined that it is equitable to make no adjustments in the circumstances.

(viii) Voluntary Adjustment by the Corporation. The Corporation may at its option, at any time during the term of the Series B Preferred Stock, reduce the then current Conversion Price to any amount deemed appropriate by the Board of Directors; provided, however, that if the Corporation elects to make such adjustment, such adjustment will remain in effect for at least a 15-day period, after which time the Corporation may, at its option, reinstate the Conversion Price in effect prior to such reduction, subject to any interim adjustments pursuant to this Section 7(c).

(ix) Statement Regarding Adjustments. Whenever the Conversion Price shall be adjusted as provided in this Section 7(c), the Corporation shall forthwith file, at the principal office of the Corporation, a statement showing in reasonable detail the facts requiring such adjustment and the Conversion Price that shall be in effect after such adjustment and the Corporation shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each holder of shares of Series B Preferred Stock at the address appearing in the Corporation's records.

(x) Notices. In the event that the Corporation shall give notice or make a public announcement to the holders of Common Stock of any action of the type described in this Section 7(c) (but only if the action of the type described in this Section 7(c) would result in an adjustment in the Conversion Price or a change in the type of securities or property to be delivered upon conversion of the Series B Preferred Stock), the Corporation shall, at the time of such notice or announcement, and in the case of any action

which would require the fixing of a record date, at least 10 days prior to such record date, give notice to each holder of shares of Series B Preferred Stock, in the manner set forth in Section 7(c)(ix), which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth the facts with respect thereto as shall be reasonably necessary to indicate the effect on the Conversion Price and the number, kind or class of shares or other securities or property which shall be deliverable upon conversion of the Series B Preferred Stock. Failure to give such notice, or any defect therein, shall not affect the legality or validity of any such action.

(xi) Miscellaneous. Except as provided in Section 7(c), no adjustment in respect of any dividends or other payments or distributions made to holders of Series B Preferred Stock of securities issuable upon the conversion of the Series B Preferred Stock will be made during the term of the Series B Preferred Stock or upon the conversion of the Series B Preferred Stock. In addition, notwithstanding any of the foregoing, no such adjustment will be made for the issuance or conversion of any Securities (as defined in the Purchase Agreement).

8. STATUS OF SHARES. All shares of Series B Preferred Stock that are at

any time redeemed pursuant to Section 5 or converted pursuant to Section 7 and all shares of Series B Preferred Stock that are otherwise reacquired by the Corporation shall (upon compliance with any applicable provisions of the laws of the State of Delaware) have the status of authorized but unissued shares of preferred stock, without designation as to series, subject to reissuance by the Board of Directors as shares of any one or more other series.

9. VOTING RIGHTS.

(a) The holders of record of shares of Series B Preferred Stock shall not be entitled to any voting rights except as hereinafter provided in this Section 9 or as otherwise provided by law.

(b) The holders of the shares of Series B Preferred Stock (i) shall be entitled to vote with the holders of the Common Stock on all matters submitted for a vote of holders of Common Stock (voting together with the holders of Common Stock as one class), (ii) shall be entitled to a number of votes equal to the number of votes to which shares of Common Stock issuable upon conversion of such shares of Series B Preferred Stock would have been entitled if such shares of Common Stock had been outstanding at the time of the applicable vote and related record date and (iii) shall be entitled to notice of all stockholders' meetings in accordance with the Certificate of Incorporation and Bylaws of the Corporation as if they are holders of Common Stock.

(c) So long as at least one-third of the aggregate outstanding shares of Series B Preferred Stock issued prior to the date of determination remain outstanding, the Corporation shall not, without the written consent or affirmative vote at a meeting called for that purpose by holders of at least a majority of the outstanding shares of Series B Preferred Stock:

(i) (x) amend, alter or repeal any provision of the Corporation's By-laws or Certificate of Incorporation (by merger or otherwise) so as to adversely affect the rights,

privileges or economics of the Series B Preferred Stock; provided that the creation, authorization or issuance of any Junior Securities shall not by itself be deemed to have any such adverse effect or (y) adopt or permit to be effective any "share purchase rights plan" or similar instrument that would have the effect of diluting the economic or voting interest in the Corporation of the Investor or any holder of Series B Preferred Stock or Series C Preferred Stock;

(ii) create, authorize or issue any Senior Securities or any Parity Securities or increase the issued and authorized number of shares of Series B Preferred Stock, or any security convertible into, or exchangeable or exercisable for, shares of Senior Securities or Parity Securities, in each case other than the creation and issuance of the Series C Preferred Stock pursuant to the Purchase Agreement;

(iii) split, reverse split, subdivide, reclassify or combine the Series B Preferred Stock;

(iv) incur or guarantee, directly or indirectly (including through merger, acquisition or other transaction), or permit any Subsidiary to incur or guarantee, directly or indirectly (including through merger, acquisition or other transaction), any indebtedness, distribute or permit any non-wholly owned Subsidiary (it being agreed that any Subsidiary that would be wholly owned but for directors' qualifying shares or other similar de minimis equity interests shall be deemed to be wholly owned for the purposes of this clause (iv)) to distribute to any securityholders any asset, purchase or permit any Subsidiary to purchase any securities issued by the Corporation or any Subsidiary or pay or permit any non-wholly owned Subsidiary to pay any dividend, if following such transaction, (A) (x) indebtedness divided by (y) pro forma EBITDA would be in excess of 4.1; or, (B) (x) the sum of (1) indebtedness and (2) Base Liquidation Value of the outstanding preferred stock divided by (y) pro forma EBITDA would be in excess of 5.35. For purposes of these calculations, the terms "indebtedness," and "pro forma EBITDA" shall have the meaning attributed to such terms (or their functional equivalent) under the Corporation's most significant senior credit agreement as such agreement may exist on the date of determination or, if no such agreement shall exist on the date of determination, the meaning attributed to such terms (or their functional equivalent) in the Corporation's most recent senior credit agreement, in each case, for the purposes of evaluating the Corporation's compliance with financial covenants and as used in this clause (iv) the term "Base Liquidation Value" shall have for the purposes of each series of preferred stock the meaning assigned to such term in the Certificate of Designations relating to such series;

(v) increase the number of directors on the Corporation's Board of Directors above nine; and

(vi) take any other action that (A) adversely affects the rights or privileges of any holder of Series B Preferred Stock or (B) adversely affects the economics of any holder of Series B Preferred

Stock in a manner that disproportionately affects holders of Series B Preferred Stock as compared to holders of the Common Stock, it being understood that for purposes of subclause (B) any action approved by the Designated Director shall not be deemed to have any such adverse effect, and provided, further, that operating

the business of the Corporation in the ordinary course, as determined in good faith by the Board of Directors, which shall include including making acquisitions or incurring further indebtedness, does not require any approval under this clause (vi)(B) so long as such action would not expressly require approval of holders of Series B Preferred Stock under any of the foregoing clauses (i) through (v) above;

provided that no such consent or vote of the holders of Series B Preferred Stock shall be required if at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such securities is to be made, as the case may be, all shares of Series B Preferred Stock at the time outstanding shall have been converted by the Corporation in accordance with Section 7(a)(ii) HEREOF.

(d) The consent or votes required in Section 9(c) shall be in addition to any approval of stockholders of the Corporation which may be required by law or pursuant to any provision of the Corporation's Certificate of Incorporation or Bylaws, which approval shall be obtained by vote of the stockholders of the Corporation in the manner provided in Section 9(b).

10. DEFINITIONS.

Unless the context otherwise requires, when used herein the following terms shall have the meaning indicated.

"ACQUISITION" means the closing of the acquisitions by the Corporation of AHI, in accordance with the terms of the AHI Acquisition Agreement.

"AFFILIATE" means with respect to any Person, any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person. For purposes of this definition, the term "control" (and correlative terms "controlling," "controlled by" and "under common control with") means possession of the power, whether by contract, equity ownership or otherwise, to direct the policies or management of a Person.

"AHI" means American Household, Inc.

"AHI ACQUISITION AGREEMENT" means the Securities Purchase Agreement, dated as of September 19, 2004, among the Corporation and the Sellers identified therein in the form in which it exists on the date hereof as such may be amended in accordance with Section 3.1(d) of the Purchase Agreement.

"BENEFICIALLY OWN" or "BENEFICIAL OWNERSHIP" is defined in Rules 13d-3 and 13d-5 of the Exchange Act, but without taking into account any contractual restrictions or limitations on voting or other rights.

"BOARD OF DIRECTORS" means the board of directors of the Corporation.

"BUSINESS COMBINATION" means (i) any reorganization, consolidation, merger, share exchange or similar business combination transaction involving the Corporation with any

Person or (ii) the sale, assignment, conveyance, transfer, lease or other disposition by the Corporation of all or substantially all of its assets.

"CAPITAL STOCK" means (i) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (ii) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

"CHANGE IN CONTROL" shall mean the happening of any of the following events:

(a) The acquisition by any Person (other than Warburg Pincus LLC or any of its Affiliates) of Beneficial Ownership of 50% or more of either (A) the then-outstanding shares of Common Stock of the Corporation (the "OUTSTANDING CORPORATION COMMON STOCK") or (B) the combined voting power of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "OUTSTANDING CORPORATION VOTING SECURITIES"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the

Corporation, (ii) any acquisition by the Corporation, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any company that is an Affiliate of the Corporation or (iv) any acquisition by any corporation pursuant to a transaction that complies with (c)(A) and (c)(B) in this definition; or

(b) Individuals who, as of the date hereof, constitute the Board of Directors (the "INCUMBENT BOARD") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Corporation's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; or

(c) Consummation of a Business Combination, in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the Beneficial Owners of the Outstanding Corporation Common Stock and the Outstanding Corporation Voting Securities immediately prior to such Business Combination Beneficially Own, directly or indirectly, not less than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Corporation Common Stock and the Outstanding Corporation Voting Securities, as the case may be, and (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of, respectively, the then-

outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation; or

(d) Approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.

"CHANGE IN CONTROL THRESHOLD PRICE" means (a) during the period beginning on the Initial Funding Date and ending on the day immediately preceding the first anniversary of the Initial Funding Date, $34.10 per share of Common Stock, (b) during the period beginning on the first anniversary of the Initial Funding Date and ending on the day immediately preceding the second anniversary of the Initial Funding Date, $36.25 per share of Common Stock, (c) during the period beginning on the second anniversary of the Initial Funding Date and ending on the day immediately preceding the third anniversary of the Initial Funding Date, $39.20 per share of Common Stock, (d) during the period beginning on the third anniversary of the Initial Funding Date and ending on the day immediately preceding the fourth anniversary of the Initial Funding Date, $42.10 per share of Common Stock and (e) during the period beginning on the fourth anniversary of the Initial Funding Date and ending on the day immediately preceding the fifth anniversary of the Initial Funding Date, $45.40 per share of Common Stock; provided that in the event the Corporation shall (A) declare a dividend on the Common Stock payable in Common Stock, (B) subdivide the outstanding Common Stock, (C) combine the outstanding Common Stock into a smaller number of Common Stock or (D) issue any shares of its capital stock in a reclassification of the Common Stock (including any such reclassification in connection with a share exchange, consolidation or merger in which the Corporation is the continuing or surviving corporation) (whether or not permitted by this Certificate) the aforementioned prices in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification shall be proportionately adjusted.

"COMMON STOCK" means the Common Stock of the Corporation, par value $0.01 per share.

"CORPORATION COMPETITOR" shall mean any person that derives more than 10% of such persons' total annual revenues for its most recently completed fiscal year from a business that competes in a material way with a business that represents more than 5% of the consolidated revenues of the Corporation and its Subsidiaries for its most recently completed fiscal year.

"DESIGNATED DIRECTOR" shall mean the Person, if any, designated as "Board Representative" in accordance with Section 4.4 of the Purchase Agreement.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"EXCLUDED STOCK" means (i) shares of Common Stock issued by the Corporation as a stock dividend payable in shares of Common Stock, or upon any subdivision or split-up

of the outstanding shares of Capital Stock in each case which is subject to the provisions of Section 7(c)(ii), or upon conversion of shares of Capital Stock (but not the issuance of such Capital Stock which will be subject to the provisions of Section 7(c)(i)(C)), (ii) the issuance of shares of Common Stock in any bona fide underwritten public offering, (iii) the issuance of shares of Common Stock (including upon exercise of options) to directors, advisors, employees or consultants of the Corporation pursuant to a stock option plan, restricted stock plan or other agreement approved by the Board of Directors or the Corporation's employee stock purchase plan, (iv) the issuance of shares of Common Stock in connection with acquisitions of assets or securities of another Person (other than issuances to Persons that were affiliates of the Corporation at the time that the agreement with respect to such issuance was entered into), (v) the issuance of shares of Common Stock upon exercise of the Series B Preferred Stock and the Series C Preferred Stock and (vi) warrants issued to lenders of non-convertible debt and the Common Stock issuable upon the exercise of such warrants; provided, that the Common Stock issuable in respect of such warrants does not exceed, in the aggregate with respect to all such issuances of such warrants, 2.00% of the issued and outstanding shares of Common Stock.

"INITIAL FUNDING DATE" means the date on which the Cash Proceeds (as defined in the Purchase Agreement) are delivered to the Escrow Agent (as defined in the Purchase Agreement) in accordance with the Purchase Agreement.

"MARKET PRICE" means, with respect to a particular security, on any given day, the volume weighted average price or, in case no such reported sales take place on such day, the average of the highest asked and lowest bid prices regular way, in either case on the principal national securities exchange on which the applicable security is listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, (i) the average of the highest and lowest sale prices for such day reported by the Nasdaq Stock Market if such security is traded over-the-counter and quoted in the Nasdaq Stock Market, or (ii) if such security is so traded, but not so quoted, the average of the highest reported asked and lowest reported bid prices of such security as reported by the Nasdaq Stock Market or any comparable system, or (iii) if such security is not listed on the Nasdaq Stock Market or any comparable system, the average of the highest asked and lowest bid prices as furnished by two members of the National Association of Securities Dealers, Inc. selected from time to time by the Corporation for that purpose. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price per share of Common Stock shall be deemed to be the fair value per share of such security as determined in good faith by the Board of Directors.

"PERSON" means an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

"PRO RATA REPURCHASES" means any purchase of shares of Common Stock by the Corporation or any Affiliate thereof pursuant to any tender offer or exchange offer subject to Section 13(e) of the Exchange Act, or pursuant to any other offer available to substantially all holders of Common Stock, whether for cash, shares of capital stock of the Corporation, other securities of the Corporation, evidences of indebtedness of the

Corporation or any other person or any other property (including, without limitation, shares of capital stock, other securities or evidences of indebtedness of a Subsidiary of the Corporation), or any combination thereof, effected while any shares of Series B Preferred Stock are outstanding; provided, however, that "Pro Rata Repurchase" shall not include any purchase of shares by the Corporation or any Affiliate thereof made in accordance with the requirements of Rule 10b-18 as in effect under the Exchange Act. The "Effective Date" of a Pro Rata Repurchase shall mean the date of acceptance of shares for purchase or exchange under any tender or exchange offer which is a Pro Rata Repurchase or the date of purchase with respect to any Pro Rata Repurchase that is not a tender or exchange offer.

"PURCHASE AGREEMENT" means the Purchase Agreement, dated as of

September 19, 2004, among the Corporation and the purchasers named therein, including all schedules and exhibits thereto, as the same may be amended from time to time.

"SERIES C PREFERRED STOCK" shall mean the Series C Preferred Stock of the Corporation issued or to be issued, in accordance with the Purchase Agreement.

"SUBSIDIARY" of a Person means (i) a corporation, a majority of whose stock with voting power, under ordinary circumstances, to elect directors is at the time of determination, directly or indirectly, owned by such Person or by one or more Subsidiaries of such Person, or (ii) any other entity (other than a corporation) in which such Person or one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has at least a majority ownership interest.

"TRADING DAY" means any day that the New York Stock Exchange, Inc. is open for trading.

"TRANSFER" shall mean any sale, transfer, assignment, pledge or other disposition or encumbrance.

12. MERGER OR CONSOLIDATION OF THE CORPORATION.

The Corporation will not merge or consolidate into, or sell, transfer or lease all or substantially all of its property to, any other corporation unless the successor, transferee or lessee corporation, as the case may be (if not the Corporation), (a) expressly assumes the due and punctual performance and observance of each and every covenant and condition of this Certificate to be performed and observed by the Corporation and (b) expressly agrees to exchange, at the holder's option, shares of Series B Preferred Stock for shares of the surviving corporation's capital stock on terms substantially similar to the terms under this Certificate.

13. RESTRICTIONS ON TRANSFER.

Without the prior written consent of the Corporation, a holder of shares of Series B Preferred Stock may not transfer such shares of Series B Preferred Stock to any person if such person (i) is a Corporation Competitor or (ii) has not executed a joinder agreement pursuant to which it has agreed to be bound by the Purchase Agreement provided that the foregoing transfer restrictions shall not apply to Permitted Transfers (as defined in the Purchase Agreement).

14. NO OTHER RIGHTS.

The shares of Series B Preferred Stock shall not have any relative, participating, optional or other special rights and powers except as set forth herein or as may be required by law.

This Certificate shall become effective upon the filing thereof with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be duly executed and acknowledged by its undersigned duly authorized officer this ____ day of _____, 2004.

JARDEN CORPORATION

By:

Name:
Title:

EXHIBIT 2

CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RIGHTS OF SERIES C MANDATORY CONVERTIBLE PARTICIPATING PREFERRED STOCK
OF
JARDEN CORPORATION

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

The undersigned, pursuant to the provisions of Sections 103 and 151 of the General Corporation Law of the State of Delaware, do hereby certify that, pursuant to the authority expressly vested in the Board of Directors of Jarden Corporation, a Delaware corporation (the "CORPORATION"), by the Corporation's Certificate of Incorporation, the Board of Directors has duly provided for the issuance of and created a series of Preferred Stock of the Corporation, par value $0.01 per share (the "PREFERRED STOCK"), and in order to fix the designation and amount and the voting powers, designations, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions, of a series of Preferred Stock, has duly adopted this Certificate of Designations, Preferences and Rights of Preferred Stock (the "CERTIFICATE").

Each share of such series of Preferred Stock shall rank equally in all respects and shall be subject to the following provisions:

1. NUMBER OF SHARES AND DESIGNATION. 300,000 shares of Preferred Stock of the Corporation shall constitute a series of Preferred Stock designated as Series C Mandatory Convertible Participating Preferred Stock (the "SERIES C PREFERRED STOCK"). The number of shares of Series C Preferred Stock may be increased (to the extent of the Corporation's authorized and unissued Preferred Stock) or decreased (but not below the number of shares of Series C Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors and the filing of a certificate of increase or decrease, as the case may be, with the Secretary of State of Delaware.

2. RANK. The Series C Preferred Stock shall, with respect to payment of dividends, redemption payments, rights upon liquidation, dissolution or winding up of the affairs of the Corporation, or otherwise (i) rank senior and prior to the Common Stock, and each other class or series of equity securities of the Corporation, whether currently issued or issued in the future, that by its terms ranks junior to the Series C Preferred Stock (whether with respect to payment of dividends, redemption payments, rights upon liquidation, dissolution or winding up of the affairs of the Corporation, or otherwise) (all of such equity securities, including the Common Stock, are collectively referred to herein as the "JUNIOR SECURITIES"), (ii) rank on a parity with each other class or series of equity securities of the Corporation, whether currently issued or issued in the future, that does not by its terms expressly provide that it ranks senior to or junior to the Series C Preferred Stock (whether with respect to payment of dividends, redemption payments, rights upon liquidation, dissolution or winding up of the affairs of the Corporation, or otherwise) (all of such equity securities are collectively referred to herein as the "PARITY SECURITIES"), and (iii) rank junior to each other class or series of equity securities of the Corporation, whether currently

issued or issued in the future, that by its terms ranks senior to the Series C Preferred Stock (whether with respect to payment of dividends, redemption payments, rights upon liquidation, dissolution or winding up of the affairs of the Corporation, or otherwise) (all of such equity securities are collectively referred to herein as the "SENIOR SECURITIES"). The respective definitions of Junior Securities, Parity Securities and Senior Securities shall also include any rights or options exercisable or exchangeable for or convertible into any of the Junior Securities, Parity Securities or Senior Securities, as the case may be. Shares of Series B Preferred Stock issued in accordance with the terms of the Purchase Agreement are Parity Securities. At the date of the initial issuance of the Series C Preferred Stock there will be no Parity Securities other than the Series B Preferred Stock and no Senior Securities authorized or outstanding.

3. DIVIDENDS.

(a) The holders of shares of Series C Preferred Stock shall be entitled to receive out of funds legally available for the payment of dividends, dividends on the terms described below:

(i) Holders of shares of Series C Preferred Stock shall be entitled to participate equally and ratably with the holders of shares of Common Stock and holders of shares of Series B Preferred Stock in all dividends and distributions paid (whether in the form of cash, stock or otherwise, and including any dividend or distribution of shares of stock or other equity of any Person other than the Corporation, evidences of indebtedness of any Person including without limitation

the Corporation or any Subsidiary and any other assets) on the shares of Common Stock as if immediately prior to each record date for the Common Stock, shares of Series C Preferred Stock then outstanding were converted into shares of Common Stock and Series B Preferred Stock (in the manner described in Section 7 without regard to any limitations contained therein) and such shares of Series B Preferred Stock were converted into shares of Common Stock (in the manner described in the Certificate of Designations relating to the Series B Preferred Stock without regard to any limitations contained therein); provided, however, that the holders of shares of Series C Preferred Stock shall not be entitled to participate in any such dividend or distribution if an adjustment to the Mandatory Conversion Price shall be required with respect to such dividend or distribution pursuant to Section 7(c) hereof and a similar adjustment is made with respect to the Series B Preferred Stock;

(ii) In addition to any dividends paid pursuant to Section 3(a)(i), in respect of each three-month period beginning with the three month period ending [December [ ]], 2009 [DATE TO CORRESPOND TO 90 DAYS AFTER THE FUNDING DATE, 2009], the Corporation shall pay, when and as declared by the Board of Directors, out of funds legally available therefor a quarterly cash dividend on each share of Series C Preferred Stock at an annual rate, subject to clause (iii) below, equal to 9.50% of the Base Liquidation Value then in effect (such rate, the "DIVIDEND RATE"); and

(iii) If the Corporation shall have failed to pay (in whole or in part) any dividend contemplated by Section 3(a)(ii) hereof, the Dividend Rate referred to in Section 3(a)(ii) above shall be increased to 10.00% of the Base Liquidation Value then in effect, beginning on the first day of the Dividend Period (as defined below) after the Dividend Period with respect to which the failure to pay (in whole or in part) dividends relates and

continuing thereafter until the first day of the Dividend Period succeeding the Dividend Period as of which all dividends contemplated by Section 3(a)(ii) and this Section 3(a)(iii) have been paid in full.

(iv) Dividends payable pursuant to Section 3(a)(i) shall be payable on the same date that such dividends are payable to holders of shares of Common Stock, and no dividends shall be payable to holders of shares of Common Stock unless dividends contemplated by Section 3(a)(i) are also paid at the same time in respect of the Series C Preferred Stock. Dividends payable pursuant to Section 3(a)(ii) shall be payable quarterly in arrears on [March [ ], June [ ], September [ ] and December [ ]] [DATES TO CORRESPOND TO THE FUNDING DATE AND CORRESPONDING DAYS IN EACH QUARTER] of each year with the first payment to be made on [December [ ], 2009] [DATE TO CORRESPOND TO 90 DAYS AFTER THE FUNDING DATE, 2009] (unless such day is not a Business Day (as defined below), in which event such dividends shall be payable on the next succeeding Business Day) (each such payment date being a "DIVIDEND PAYMENT DATE" and the period from the fifth anniversary of the Initial Funding Date until the first Dividend Payment Date and each such quarterly period thereafter being a "DIVIDEND PERIOD"). The amount of dividends payable on any shares of the Series C Preferred Stock for any period in which such shares are outstanding that is shorter or longer than a full Dividend Period, shall be computed on the basis of a 360-day year of twelve 30-day months. As used herein, the term "BUSINESS DAY" means any day except a Saturday, Sunday or day on which banking institutions are legally authorized to close in the City of New York.

(b) Dividends on the Series C Preferred Stock provided for in Section 3(a)(ii) and Section 3(a)(iii) shall be cumulative and shall accrue on a daily basis whether or not declared and whether or not in any fiscal year there shall be funds legally available therefor, so that if in any Dividend Period, dividends contemplated by Section 3(a)(ii) and Section 3(a)(iii) in whole or in part are not paid upon the Series C Preferred Stock, unpaid dividends shall accumulate as against the holders of Parity Securities and Junior Securities.

(c) Each dividend shall be payable to the holders of record of shares of Series C Preferred Stock as they appear on the stock records of the Corporation at the close of business on such record dates (each, a "DIVIDEND PAYMENT RECORD DATE"), which (i) with respect to dividends payable pursuant to Section 3(a)(i), shall be the same day as the record date for the payment of dividends to the holders of shares of Common Stock and, (ii) with respect to dividends payable pursuant to Section 3(a)(ii), shall be not more than 30 days nor less than 10 days preceding the applicable Dividend Payment Date.

(d) From and after the time, if any, that (x) a holder of any shares of Series C Preferred Stock has delivered notice to the Corporation pursuant to Section 6(a) of its intention to exercise its redemption rights under Section 5, (y) the Corporation shall have failed to pay any dividend contemplated by Section 3(a) hereof, or (z) the Corporation shall have failed to make any payment contemplated by Section 8 hereof, (a) no dividends shall be declared or paid or set apart for payment, or other distribution declared or made, upon any

Junior Securities, nor shall any Junior Securities be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of shares of Common Stock made for purposes of any employee or

director incentive or benefit plans or arrangements of the Corporation or any subsidiary of the Corporation or the payment of cash in lieu of fractional shares in connection therewith) for any consideration (nor shall any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such Junior Securities) by the Corporation, directly or indirectly (except by conversion into or exchange for Junior Securities or the payment of cash in lieu of fractional shares in connection therewith) and (b) the Corporation shall not, directly or indirectly, make any payment on account of any purchase, redemption, retirement or other acquisition of any Parity Securities (other than redemption of shares of Series B Preferred Stock on a pro rata basis with shares of Series C Preferred Stock, and other than for consideration payable solely in Junior Securities or the payment of cash in lieu of fractional shares in connection therewith) until, in the event of clauses (x) and (z), no shares of Series C Preferred Stock remain outstanding, and in event of clause (y), all such dividends have been paid in full.

4. LIQUIDATION PREFERENCE.

(a) "BASE LIQUIDATION VALUE" means (x) $1,000.00 per share (the "ORIGINAL LIQUIDATION VALUE"), which amount shall thereafter accrete daily at the annual rate of 3.50%, compounded annually, provided that such rate shall increase to 5.00% as of the seventh month anniversary of the Initial Funding Date and shall thereafter increase at the end of each successive six month period thereafter by adding 50 basis points to the rate then in effect if any shares of Series C Preferred Stock shall then be outstanding (such rate, the "ACCRETION RATE"), computed on the basis of a 360 day year of twelve 30 day months from the Initial Funding Date through but not including the fifth anniversary of the Initial Funding Date plus (y) any accrued but unpaid dividends thereon. As used herein, "accrued" dividends means dividends declared or contemplated to be declared or paid pursuant to Section 3 hereof on the Preferred Stock, but not yet paid.

(b) "LIQUIDATION VALUE" means (1) in the event of a Change in Control prior to the fifth anniversary of the Initial Funding Date providing for the payment of an amount per share of Common Stock below the applicable Change in Control Threshold Price, the amount by which the Original Liquidation Value would have otherwise equaled had it accreted at the annual rate of 10.00%, compounded annually, computed on the basis of a 360 year of twelve 30 day months from the Initial Funding Date through but not including the date of consummation of the Change in Control plus any declared but unpaid dividends on the Common Stock that, if paid prior to the Change in Control, would be payable to holders of shares of Series B Preferred Stock pursuant to Section 3(a)(i) hereof, (2) from and after the fifth anniversary of the Initial Funding Date, (x) the Base Liquidation Value less (y) Base Liquidation Value on the fifth anniversary of the Initial Funding Date plus (z) $2,100 per share and (3) otherwise, the Base Liquidation Value; provided, however, that for purposes of determining the number of shares of Series B Preferred Stock and Common Stock into which the Series C Preferred Stock may be converted pursuant to Section 7 hereof, Liquidation Value shall always mean the Base Liquidation Value.

(c) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred Stock shall be entitled to receive the greater of (i) the Liquidation Value of such shares in effect on the date of such liquidation, dissolution or winding up or (ii) the payment such holders would have received had such holders, immediately prior to such liquidation, dissolution or winding up, converted their shares of Series

C Preferred Stock into shares of Common Stock and Series B Preferred Stock (in the manner described in Section 7 without regard to any limitations contained therein) and such shares of Series B Preferred Stock were converted into shares of Common Stock (in the manner described in the Certificate of Designations relating to the Series B Preferred Stock without regard to any limitations contained therein).

(d) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred Stock (i) shall not be entitled to receive the Liquidation Value of such shares until payment in full or provision has been made for the payment in full of all claims of creditors of the Corporation and the liquidation preferences for all Senior Securities, and (ii) shall be entitled to receive the Liquidation Value of such shares before any payment or distribution of any assets of the Corporation shall be made or set apart for holders of any Junior Securities. Subject to clause (i) above, if the assets of the Corporation are not sufficient to pay in full the Liquidation Value payable to the holders of shares of Series C Preferred Stock and the liquidation preference payable to the holders of any Parity Securities, then such assets, or the proceeds thereof, shall be distributed among the holders of shares of Series C Preferred Stock and any such other Parity Securities ratably in accordance with the Liquidation

Value and the liquidation preference for the Parity Securities, respectively.

(e) Neither a consolidation or merger of the Corporation with or into any other entity, nor a merger of any other entity with or into the Corporation, nor a sale or transfer of all or any part of the Corporation's assets for cash, securities or other property shall by itself be considered a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 4.

5. CHANGE IN CONTROL.

Upon a Change in Control, holders of the outstanding shares of Series C Preferred Stock may, at their election:

(a) if the Conversion Approval has been obtained, convert the Series C Preferred Stock into Common Stock in accordance with the provisions of Section 7 hereof and receive the Change in Control Consideration upon conversion;

(b) exercise the holder's right to have the Series C Preferred Stock specially redeemed in accordance with the provisions of Section 8 hereof (without regard to whether such Change in Control occurs prior to the seven month anniversary of the consummation of the AHI Acquisition);

(c) in lieu of receiving any liquidation preference in respect of such Series C Preferred Stock upon such Change in Control, continue to hold the Series C Preferred Stock in any surviving entity resulting from such Change in Control or, in the case of a sale of the Corporation's assets which results in a Change in Control, the entity purchasing such assets, provided, however, that the provisions hereof (including but not limited to the provisions of Sections 7 and 8 following the date of such Change in Control) shall continue to remain in effect with respect to such Series C Preferred Stock; or

(d) within sixty days after the Change in Control Date, request, in lieu of receiving the Change in Control Consideration, that the Corporation redeem, out of funds lawfully avail-

able for the redemption of shares, the Series C Preferred Stock (the "REDEMPTION REQUEST") for an amount in cash equal to the Liquidation Value as of the Redemption Date and after giving effect to the Change in Control; provided, that the Corporation may, in lieu of making the redemption so requested, effect a Remarketing pursuant to Section 6(b). Promptly but in any event within five days after receipt of the Redemption Request, the Corporation shall provide a written notice to all holders of the Series C Preferred Stock setting forth whether it will redeem the Series C Preferred Stock or effect a Remarketing. In the event the Corporation elects to redeem the Series C Preferred Stock, the Series C Preferred Stock shall be redeemed in accordance with Section 6(a). In the event the Corporation elects to effect a Remarketing, the Remarketing shall be effected in accordance with Section 6(b) (as long as such Remarketing is effected within 120 days after making a Redemption Request).

(e) As used in this Section 5, "CHANGE IN CONTROL CONSIDERATION" means the shares of stock, securities, cash or other property issuable or payable (as part of any reorganization, reclassification, consolidation, merger or sale in connection with the Change in Control) with respect to or in exchange for such number of outstanding shares of Common Stock as would have been received upon conversion of the shares of Series C Preferred Stock into shares of Common Stock and Series B Preferred Stock (in the manner described in Section 7 without regard to any limitations contained therein) and such shares of Series B Preferred Stock were converted into shares of Common Stock (in the manner described in the Certificate of Designations relating to the Series B Preferred Stock without regard to any limitations contained therein).

6. PROCEDURES FOR REDEMPTION AND REMARKETING.

(a)(i) In the event of a redemption of shares of Series C Preferred Stock pursuant to Section 5, notice of such redemption shall be given by first class mail, postage prepaid, mailed not less than 10 days nor more than 20 days prior to the Redemption Date, to the office of the Corporation, in the event of redemption pursuant to Section 5(d). Such notice shall state the date on which the holder is to surrender to the Corporation the certificates for any shares to be redeemed (such date, or if such date is not a Business Day, the first Business Day thereafter, the "REDEMPTION DATE"). Any notice mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Corporation receives the notice.

(ii) Upon surrender in accordance with the notice of redemption of the certificates for any shares so redeemed, such shares shall be redeemed by the Corporation at the redemption price aforesaid with payment of such redemption price being made on the Redemption Date by wire transfer of immediately available funds to the account specified by the holder of the shares redeemed. Such redemption shall be effective on the Redemption Date, notwithstanding any failure of such holders to deliver such certificates, provided that the Redemption Price has either been paid to each holder on or prior to such date or deposited in a bank in a separate trust account for the sole benefit of

the holders.

(b)(i) In the event the Corporation shall elect to effect a Remarketing, the Corporation shall adjust the dividend rate on the Preferred Stock to the rate (as of the date of the Remarketing) necessary in the opinion of a nationally recognized investment banking firm (selected by the Corporation and reasonably acceptable to the holders of at least a

majority of the outstanding shares of Series C Preferred Stock) (the "REMARKETING AGENT") to allow the Remarketing Agent to resell all of the Preferred Stock on behalf of all holders who have delivered a Redemption Request (such resale, the "REMARKETING") at a price of not less than 100% (after deduction of fees for the Remarketing Agent) of the Liquidation Value then in effect (such adjusted dividend rate, the "ADJUSTED RATE").

(ii) In the event the Corporation elects to effect a Remarketing:

(A) notwithstanding any provision in this Certificate of Designations to the contrary, the Adjusted Rate shall be effective as of the Redemption Request:

(B) the Corporation shall cause the Remarketing Agent to effect the Remarketing within 120 days of the Redemption Request; and

(C) the Corporation shall use its reasonable best efforts (together with the Remarketing Agent) to facilitate a Remarketing in accordance with the terms hereof.

(iii) Any Remarketing shall be on such terms that (A) provide for the immediate disbursement of proceeds from the Remarketing in an amount of not less than 100% (after deduction of fees for the Remarketing Agent) of the Liquidation Value then in effect to the holders of Series C Preferred Stock in cash, without any escrows, holdbacks or similar arrangements and (B) do not contain any representations (other than with respect to ownership of the shares of Series C Preferred Stock), indemnities, liabilities or other provisions imposing any obligation on the holders of the Series C Preferred Stock, other than the obligation to tender the certificates representing the shares of Series C Preferred Stock to the Remarketing Agent. Each such certificate shall bear a legend to the effect that each share of Series C Preferred Stock shall be subject to the remarketing provisions contained in this Section 6.

7. MANDATORY CONVERSION.

(a) Mandatory Conversion. Subject to the provisions of this Section 7, upon receipt by the Corporation of both (1) the Conversion Approval (as defined in the Purchase Agreement) and (2) (A) the Charter Amendment Approval (as defined in the Purchase Agreement) or (B) written waivers of the requirement to receive the Charter Amendment Approval from holders of shares of Series C Preferred Stock representing at least a majority of the then outstanding shares of Series C Preferred Stock; provided that such waivers shall be deemed to have been granted on the 31 month anniversary of the Initial Funding Date if the Conversion Approval shall have been obtained even though the Charter Amendment Approval has not been approved, each share of Series C Preferred Stock shall automatically convert into fully paid and non-assessable shares of both (x) Series B Preferred Stock and (y) Common Stock, as set forth in the following sentences. The number of shares of Series B Preferred Stock into which a share of the Series C Preferred Stock shall be convertible (calculated to the nearest 1/1,000,000th of a share) shall be determined by multiplying the Liquidation Value in effect at the time of conversion by 0.857143 (the "PREFERRED RATIO") and dividing by $1,000.00. The number of shares of Common Stock into which a share of Series C Preferred Stock shall be convertible (calculated to the nearest 1/1,000th of a share) shall be determined by multiplying the Original Liquidation Value by 0.142857 (the

"COMMON RATIO") and dividing by the Mandatory Conversion Price. The "MANDATORY CONVERSION PRICE" shall be equal to $30.00, subject to the adjustment as described in Section 7(c).

(b) Mechanics of Mandatory Conversion.

(i) In the event of mandatory conversion pursuant to Section 7(a), the Corporation shall deliver as promptly as practicable written notice to each holder specifying: (A) the Mandatory Conversion Date; (B) the number of shares of Common Stock and Series B Preferred Stock to be issued in respect of each share of Series C Preferred Stock that is converted; (C) the place or places where certificates for such shares are to be surrendered for issuance of certificates representing shares of Common Stock and Series B Preferred Stock which date shall be as

soon as practicable following the Mandatory Conversion Date; and (D) that dividends on the shares to be converted will cease to accrue on such Mandatory Conversion Date.

Unless the shares issuable upon mandatory conversion are to be issued in the same name as the name in which such shares of Series C Preferred Stock are registered, each share surrendered for mandatory conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder thereof or such holder's duly authorized attorney and an amount sufficient to pay any transfer or similar tax in accordance with Section 7(b)(vi). Within two Business Days after the surrender by the holder of the certificates for shares of Series C Preferred Stock as aforesaid, the Corporation shall issue and shall deliver to such holder, or on the holder's written order to the holder's transferee, a certificate or certificates for the whole number of shares of Common Stock and Series B Preferred Stock issuable upon the mandatory conversion of such shares and a check payable in an amount corresponding to any fractional interest in a share of Common Stock or Series B Preferred Stock as provided in Section 7(b)(vii).

(ii) The mandatory conversion shall be deemed to have been effected at the close of business on the date of receipt by the Corporation of the last to be received of (1) the Conversion Approval (as defined in the Purchase Agreement) and (2) (A) the Charter Amendment Approval (as defined in the Purchase Agreement) or (B) written waivers of the requirement to receive the Charter Amendment Approval from holders of shares of Series C Preferred Stock representing at least a majority of the then outstanding shares of Series C Preferred Stock (the "MANDATORY CONVERSION DATE"). At such time on the Mandatory Conversion Date:

(A) the person in whose name or names any certificate or certificates for shares of Common Stock and Series B Preferred Stock shall be issuable upon such mandatory conversion shall be deemed to have become the holder of record of the shares of Common Stock and Series B Preferred Stock represented thereby at such time; and

(B) such shares of Series C Preferred Stock so converted shall no longer be deemed to be outstanding, and all rights of a holder with respect to such shares shall immediately terminate except the right to receive the Common Stock and Series B Preferred Stock and other amounts payable pursuant to this Section 7.

All shares of Common Stock and Series B Preferred Stock delivered upon mandatory conversion of the Series C Preferred Stock will, upon delivery, be duly and validly authorized and issued, fully paid and nonassessable, free from all preemptive rights and free from all taxes, liens, security interests and charges (other than liens or charges created by or imposed upon the holder or taxes in respect of any transfer occurring contemporaneously therewith).

(iii) Holders of shares of Series C Preferred Stock at the close of business on a Dividend Payment Record Date shall be entitled to receive the dividend payable on such shares on the corresponding Dividend Payment Date notwithstanding the mandatory conversion thereof following such Dividend Payment Record Date and prior to such Dividend Payment Date. A holder of shares of Series C Preferred Stock on a Dividend Payment Record Date who (or whose transferee) tenders any such shares for mandatory conversion into shares of Common Stock on such Dividend Payment Date will be entitled to receive the dividend payable by the Corporation on such shares of Series C Preferred Stock, and the converting holder need not include payment of the amount of such dividend upon surrender of shares of Series C Preferred Stock for mandatory conversion.

(iv) The Corporation will at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock and Series B Preferred Stock, solely for the purpose of effecting mandatory conversions of the Series C Preferred Stock, the aggregate number of shares of Common Stock and Series B Preferred Stock issuable upon mandatory conversion of the Series C Preferred Stock. The Corporation will procure, at its sole expense, the listing of the shares of Common Stock, subject to issuance or notice of issuance, on the principal domestic stock exchange on which the Common Stock is then listed or traded. The Corporation will take all commercially reasonable action as may be necessary to ensure that the shares of Common Stock and Series B Preferred Stock may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the shares of Common Stock are listed or traded.

(v) Issuances of certificates for shares of Common Stock and Series B Preferred Stock upon mandatory conversion of the Series C Preferred Stock shall be made without charge to any holder of shares of Series C Preferred Stock for any issue or transfer tax (other than taxes in

respect of any transfer occurring contemporaneously therewith or as a result of the holder being a non-U.S. person) or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Corporation; provided, however, that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance or delivery of shares of Common Stock or Series B Preferred Stock in a name other than that of the holder of the Series C Preferred Stock to be converted, and no such issuance or delivery shall be made unless and until the person requesting such issuance or delivery has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

(vi) In connection with the mandatory conversion of shares of Series C Preferred Stock,

(A) no fractions of shares of Common Stock shall be issued, but in lieu thereof the Corporation shall pay a cash adjustment in respect of such fractional interest in an amount equal to such fractional interest multiplied by the Market Price per share of Common Stock on the Mandatory Conversion Date.

(B) no fractions of shares of Series B Preferred Stock shall be issued, but in lieu thereof the Corporation shall pay a cash adjustment in respect of such fractional interest in an amount equal to such fractional interest multiplied by the Liquidation Value then in effect per share of Series B Preferred Stock on the Mandatory Conversion Date

(c) Adjustments to Mandatory Conversion Price. The Mandatory Conversion Price shall be adjusted from time to time as follows:

(i) Common Stock Issued at Less than Market Value. If the Corporation issues or sells any Common Stock other than Excluded Stock without consideration or for consideration per share less than the Market Price of the Common Stock, as of the day of such issuance or sale, the Mandatory Conversion Price in effect immediately prior to each such issuance or sale will immediately (except as provided below) be reduced to the price determined by multiplying (A) the Mandatory Conversion Price at which shares of Series C Preferred Stock were theretofore convertible by (B) a fraction of which the numerator shall be the sum of (1) the number of shares of Common Stock outstanding immediately prior to such issuance or sale and (2) the number of additional shares of Common Stock that the aggregate consideration received by the Corporation for the number of shares of Common Stock so offered would purchase at the Market Price per share of Common Stock on the last Trading Day immediately preceding such issuance or sale, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such issuance or sale. For the purposes of any adjustment of the Mandatory Conversion Price pursuant to this Section 7(c), the following provisions shall be applicable:

(A) In the case of the issuance of Common Stock for cash, the amount of the consideration received by the Corporation shall be deemed to be the amount of the cash proceeds received by the Corporation for such Common Stock before deducting therefrom any discounts or commissions allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(B) In the case of the issuance of Common Stock (otherwise than upon the conversion of shares of Capital Stock or other securities of the Corporation) for a consideration in whole or in part other than cash, including securities acquired in exchange therefor (other than securities by their terms so exchangeable), the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors, provided, however, that such fair value as determined by the Board of Directors shall not exceed the aggregate Market Price of the shares of Common Stock being issued as of the date the Board of Directors authorizes the issuance of such shares.

(C) In the case of the issuance of (a) options, warrants or other rights to purchase or acquire Common Stock (whether or not at the time exercisable) or (b) securities by their terms convertible into or exchangeable for Common Stock (whether or not at the time so convertible or exchangeable) or options, warrants or rights to purchase such convertible or exchangeable securities (whether or not at the time exercisable):

(1) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options, warrants or other rights to purchase or acquire Common Stock shall be deemed to have been issued at the time such options, warrants or rights are issued and for a consideration equal to the consideration (determined in the manner provided in Section 7(c)(i) (A) and (B)), if any, received by the Corporation upon the issuance of such options, warrants or rights plus the minimum purchase price provided in such options, warrants or rights for the Common Stock covered thereby;

(2) the aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such convertible or exchangeable securities, or upon the exercise of options, warrants or other rights to purchase or acquire such convertible or exchangeable securities and the subsequent conversion or exchange thereof, shall be deemed to have been issued at the time such securities were issued or such options, warrants or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options, warrants or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the additional consideration (determined in the manner provided in Section 7(c)(i) (A) and (B)), if any, to be received by the Corporation upon the conversion or exchange of such securities, or upon the exercise of any related options, warrants or rights to purchase or acquire such convertible or exchangeable securities and the subsequent conversion or exchange thereof;

(3) on any change in the number of shares of Common Stock deliverable upon exercise of any such options, warrants or rights or conversion or exchange of such convertible or exchangeable securities or any change in the consideration to be received by the Corporation upon such exercise, conversion or exchange, but excluding changes resulting from the anti-dilution provisions thereof (to the extent comparable to the anti-dilution provisions contained herein), the Mandatory Conversion Price as then in effect shall forthwith be readjusted to such Mandatory Conversion Price as would have been obtained had an adjustment been made upon the issuance of such options, warrants or rights not exercised prior to such change, or of such convertible or exchangeable securities not converted or exchanged prior to such change, upon the basis of such change;

(4) on the expiration or cancellation of any such options, warrants or rights (without exercise), or the termination of the right to convert or exchange such convertible or exchangeable securities (without exercise), if the Mandatory Conversion Price shall have been adjusted upon the issuance thereof, the Mandatory Conversion Price shall forthwith be readjusted to such Mandatory Conversion Price as would have been obtained had an adjustment been made upon the issuance of such options, warrants, rights or such convertible or exchangeable securities on the basis of the issuance of only the number of shares of Common Stock actually issued upon the exercise of such options, warrants or rights, or upon the conversion or exchange of such convertible or exchangeable securities; and

(5) if the Mandatory Conversion Price shall have been adjusted upon the issuance of any such options, warrants, rights or convertible or exchangeable securities, no further adjustment of the Mandatory Conversion Price shall be made for the actual issuance of Common Stock upon the exercise, conversion or exchange thereof.

(ii) Stock Splits, Subdivisions, Reclassifications or Combinations. If the Corporation shall (1) declare a dividend or make a distribution on its Common Stock in shares of Common Stock, (2) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (3) combine or reclassify the outstanding Common Stock into a smaller number of shares, the Mandatory Conversion

Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by multiplying the Mandatory Conversion Price at which the shares of Series C Preferred Stock were theretofore convertible by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action, and the denominator of which shall be the number of shares of Common Stock outstanding immediately following such action.

(iii) Certain Repurchases of Common Stock. In case the Corporation effects a Pro Rata Repurchase of Common Stock, then the Mandatory Conversion Price shall be reduced to the price determined by multiplying the Mandatory Conversion Price in effect immediately prior to the effective date of such Pro Rata Repurchase by a fraction of which the numerator shall be the product of the number of shares of Common Stock outstanding (including any tendered or exchanged shares) at such effective date, multiplied by the Market Price per share of Common Stock on the Trading Day next succeeding such effective date, and the denominator of which shall be the sum of (A) the fair market value of the aggregate consideration payable to stockholders based upon the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of all shares validly tendered or exchanged and not withdrawn as of such effective date (the shares deemed so accepted, up to any maximum, being referred to as the "PURCHASED SHARES") and (B) the product of the number of shares of Common Stock outstanding (less any Purchased Shares) at such effective date and the Market Price per share of Common Stock on the Trading Day next succeeding such effec-

tive date, such reduction to become effective immediately prior to the opening of business on the day following such effective date.

(iv) Successive Adjustments. Successive adjustments in the Mandatory Conversion Price shall be made, without duplication, whenever any event specified in Sections 7(c)(i), (ii) or (iii) or Section 13 shall occur.

(v) Rounding of Calculations; Minimum Adjustments. All calculations under this Section 7(c) shall be made to the nearest one-tenth (1/10th) of a cent. No adjustment in the Mandatory Conversion Price is required if the amount of such adjustment would be less than $0.01; provided, however, that any adjustments which by reason of this Section 7(c)(v) are not required to be made will be carried forward and given effect in any subsequent adjustment.

(vi) Adjustment for Unspecified Actions. If the Corporation takes any action affecting the Common Stock, other than action described in this Section 7(c), which in the opinion of the Board of Directors would materially adversely affect the conversion rights of the holders of shares of Series C Preferred Stock, the Mandatory Conversion Price may be adjusted, to the extent permitted by law, in such manner, if any, and at such time, as such Board of Directors may determine in good faith to be equitable in the circumstances. Failure of the Board of Directors to provide for any such adjustment prior to the effective date of any such action by the Corporation affecting the Common Stock will be evidence that the Board of Directors has determined that it is equitable to make no adjustments in the circumstances.

(vii) Voluntary Adjustment by the Corporation. The Corporation may at its option, at any time during the term of the Series C Preferred Stock, reduce the then current Mandatory Conversion Price to any amount deemed appropriate by the Board of Directors; provided, however, that if the Corporation elects to make such adjustment, such adjustment will remain in effect for at least a 15-day period, after which time the Corporation may, at its option, reinstate the Mandatory Conversion Price in effect prior to such reduction, subject to any interim adjustments pursuant to this Section 7(c).

(viii) Statement Regarding Adjustments. Whenever the Mandatory Conversion Price shall be adjusted as provided in this Section 7(c), the Corporation shall forthwith file, at the principal office of the Corporation, a statement showing in reasonable detail the facts requiring such adjustment and the Mandatory Conversion Price that shall be in effect after such adjustment and the Corporation shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each holder of shares of Series C Preferred Stock at the address appearing in the Corporation's records.

(ix) Notices. In the event that the Corporation shall give notice or make a public announcement to the holders of Common Stock of any action of the type described in this Section 7(c) (but only if the action of the type described in this Section 7(c) would result in an adjustment in the Mandatory Conversion Price or a change in the type of securities or property to be delivered upon conversion of the Series C Preferred Stock), the Corporation shall, at the time of such notice or

announcement, and in the case of any ac-

tion which would require the fixing of a record date, at least 10 days prior to such record date, give notice to each holder of shares of Series C Preferred Stock, in the manner set forth in Section 7(c)(ix), which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth the facts with respect thereto as shall be reasonably necessary to indicate the effect on the Mandatory Conversion Price and the number, kind or class of shares or other securities or property which shall be deliverable upon conversion of the Series C Preferred Stock. Failure to give such notice, or any defect therein, shall not affect the legality or validity of any such action.

(x) Miscellaneous. Except as provided in Section 7(c), no adjustment in respect of any dividends or other payments or distributions made to holders of Series C Preferred Stock of securities issuable upon the conversion of the Series C Preferred Stock will be made during the term of the Series C Preferred Stock or upon the conversion of the Series C Preferred Stock. In addition, notwithstanding any of the foregoing, no such adjustment will be made for the issuance or conversion of any Securities (as defined in the Purchase Agreement).

8. SPECIAL REDEMPTION.

(a) Right to Special Redemption.

(i) From and after the seven month anniversary of the consummation of the AHI Acquisition, subject to the provisions of this Section 8, to the extent permitted under the Corporation's senior credit facility (including pursuant to refinancings thereof that do not contain provisions that restrict the payments pursuant to this Section 8 that are materially more restrictive than the provisions in the Corporation's senior credit facility), each holder of a share of Series C Preferred Stock shall have the right, at any time and from time to time, at such holder's option, to require the Corporation to redeem any or all of such holder's shares of Series C Preferred Stock, in whole or in part, at a price per share of Series C Preferred Stock equal to (x) the Liquidation Value in effect on the Special Redemption Date (as defined herein) times (y) the Market Price of a share of Common Stock on the date such holder transmits to the Corporation the notice required by Section 8(b)(i)(A) divided by (z) the Special Redemption Price. The "SPECIAL REDEMPTION PRICE" shall initially be equal to $31.71; provided that as of the seven month anniversary of the Initial Funding Date the Special Redemption Price shall be reduced by 10.00%. In any event, the Special Redemption Price shall be subject to adjustment as described in Section 8(c).

(ii) From and after the fifth anniversary of the Initial Funding Date, the Corporation shall have the right, at the Corporation's option, to redeem outstanding shares of Series C Preferred Stock, from time to time, in whole or in part (on a pro rata basis), at a price per share of Series C Preferred Stock equal to (x) the Liquidation Value on the Special Redemption Date times (y) the Market Price of a share of Common Stock on the date on which the Corporation transmits to the holders of shares of Series C Preferred Stock to be redeemed the notice required by Section 8(b)(i)(B) divided by (z) the Special Redemption Price, but only if at the time the Corporation exercises this option, (A) the average

Market Price of the Common Stock for each Trading Day during a period of 30 consecutive Trading Days ended within 10 days prior to the date the Corporation exercises this option exceeds 210% of the Conversion Price and (B) the Market Price of the Common Stock during such period exceeds 210% of the Conversion Price for 15 consecutive Trading Days during the period referred to in clause (A).

(b) Mechanics of Special Redemption. A holder of shares of Series C Preferred Stock or the Corporation, as the case may be, that elects to exercise its rights to special redemption pursuant to Section 8(a) shall provide notice to the other party as follows:

(i) (A) Holder's Notice and Surrender. To exercise its right to special redemption pursuant to Section 8(a)(i), a holder of shares of Series C Preferred Stock shall surrender the certificate or certificates representing such shares of Series C Preferred Stock at the office of the Corporation (or any transfer agent of the Corporation previously designated in writing by the Corporation to the holders of shares of Series C Preferred Stock for this purpose) with a written notice of election to be specially redeemed, completed and signed, specifying the number of shares to be so redeemed.

(B) Corporation's Notice. To exercise its right to special redemption pursuant to Section 8(a)(ii), the Corporation shall deliver written notice to such holder, at least 5 days and no more than 10 days prior to the Special Redemption Date, specifying: (1) the number of shares of Series C Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of shares of Series C Preferred Stock to be redeemed by such holder; (2) the Special Redemption Date; (3) the consideration per share to be received in respect of each share of Series C Preferred Stock to be redeemed and the calculation, in accordance with Section 8(a)(ii), of such amount; and (4) the place or places where certificates for such shares of Series C Preferred Stock are to be surrendered in exchange for payment.

(ii) The "SPECIAL REDEMPTION DATE" is the date that (A) the payment of the Redemption Price to each holder with respect to the shares to be redeemed is made or (B) such amounts are irrevocably deposited in trust with a bank or trust company in good standing for the pro rata benefit of the holders of the shares to be redeemed; provided that (x) in the case of special redemption pursuant to Section 8(a)(i), the notice required by Section 8(b)(i)(A) has been transmitted to the Corporation and (y) in the case of special redemption pursuant to Section 8(a)(ii), the notice required by Section 8(b)(i)(B) has been transmitted to the holders of shares of Series C Preferred Stock to be redeemed. Each special redemption shall be deemed to have been effected immediately prior to the close of business on the Special Redemption Date.

(iii) Notwithstanding any delay by, or failure of, the Corporation to pay the Redemption Price to each holder of shares of Series C Preferred Shares, or to deposit such amounts in a bank in a separate trust account for the sole benefit of the holders, the Market Price of a share of Common Stock to be used in calculating any payment due to holders of shares of Series C Preferred Stock pursuant to Section 8(a) shall be determined as of (x) in the case of special redemption pursuant to Section 8(a)(i), the day on which the notice required by Section 8(b)(i)(A) shall have transmitted to the Corporation and (y)

in the case of special redemption pursuant to Section 8(a)(ii), the day on which the notice required by Section 8(b)(i)(B) shall have been transmitted to the holders of shares of Series C Preferred Stock to be redeemed.

(iv) The Liquidation Value shall continue to accrete in accordance with Section 4 and dividends shall continue to accrue and shall be payable in accordance with Section 3 and the holders of Series C Preferred Stock shall continue to have all rights as a holder of such shares until the Special Redemption Price has either (x) been paid to each holder with respect to the shares to be redeemed or (y) irrevocably deposited in trust with a bank or trust company in good standing for the pro rata benefit of the holders of the shares to be redeemed.

(v) If the Corporation shall have failed to make all payments required by this Section 8 to a holder of shares of Series C Preferred Stock in respect of shares of Series C Preferred Stock surrendered for special redemption in accordance with this Section 8 (x) in the case of special redemption pursuant to Section 8(a)(i), then (i) the holders of a majority of the then outstanding shares of Series C Preferred Stock voting as a single class shall have the right to appoint one director to the Corporation's Board of Directors in addition to the Board Representative, (ii) the Dividend Rate as set forth in the Certificate of Designations with respect to the Series C Preferred Stock shall be increased to 10.00%, and (iii) each holder of shares of Series C Preferred Stock shall have the right to require the Corporation, by giving written notice (the "DEFAULT NOTICE"), to effect a Remarketing; provided that all references in Section 6(b) to the "Redemption Request" shall be deemed to be changed to "Default Notice" and all references to "Liquidation Value" shall be to the "value such Series C Preferred Stock would have assuming such Series C Preferred Stock were to be converted into shares of Common Stock and Series B Preferred Stock (in the manner described in Section 7 without regard to any limitations contained therein) and such shares of Series B Preferred Stock were converted into shares of Common Stock (in the manner described in the Certificate of Designations relating to the Series B Preferred Stock without regard to any limitations contained therein) based on the Market Price as of the Remarketing".

(vi) Holders of shares of Series C Preferred Stock at the close of business on a Dividend Payment Record Date shall be entitled to receive the dividend payable on such shares on the corresponding Dividend Payment Date notwithstanding the special redemption thereof following such Dividend Payment Record Date and prior to such Dividend Payment Date. A holder of shares of Series C Preferred Stock on a Dividend Payment Record Date who (or whose transferee) tenders any such shares for special redemption into shares of Common Stock on such Dividend

Payment Date will be entitled to receive the dividend payable by the Corporation on such shares of Series C Preferred Stock, and the converting holder need not include payment of the amount of such dividend upon surrender of shares of Series C Preferred Stock for special redemption.

(vii) If fewer than all of the outstanding shares of Series C Preferred Stock are specially redeemed pursuant to Section 8(a)(ii), the shares shall be specially redeemed on a pro rata basis (according to the number of shares of Series C Preferred Stock held by each holder, with any fractional shares rounded to the nearest whole share).

(c) Adjustments to Special Redemption Price. Special Redemption Price shall be adjusted from time to time as follows:

(i) Common Stock Issued at Less than Market Value. If the Corporation issues or sells any Common Stock other than Excluded Stock without consideration or for consideration per share less than the Market Price of the Common Stock, as of the day of such issuance or sale, the Special Redemption Price in effect immediately prior to each such issuance or sale will immediately (except as provided below) be reduced to the price determined by multiplying (A) the Special Redemption Price at which shares of Series C Preferred Stock were theretofore deemed to be redeemable by (B) a fraction of which the numerator shall be the sum of (1) the number of shares of Common Stock outstanding immediately prior to such issuance or sale and (2) the number of additional shares of Common Stock that the aggregate consideration received by the Corporation for the number of shares of Common Stock so offered would purchase at the Market Price per share of Common Stock on the last trading day immediately preceding such issuance or sale, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such issuance or sale. For the purposes of any adjustment of the Special Redemption Price pursuant to this Section 8(c), the following provisions shall be applicable:

(A) In the case of the issuance of Common Stock for cash, the amount of the consideration received by the Corporation shall be deemed to be the amount of the cash proceeds received by the Corporation for such Common Stock before deducting therefrom any discounts or commissions allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(B) In the case of the issuance of Common Stock (otherwise than upon the conversion of shares of Capital Stock or other securities of the Corporation) for a consideration in whole or in part other than cash, including securities acquired in exchange therefor (other than securities by their terms so exchangeable), the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors, provided, however, that such fair value as determined by the Board of Directors shall not exceed the aggregate Market Price of the shares of Common Stock being issued as of the date the Board of Directors authorizes the issuance of such shares.

(C) In the case of the issuance of (a) options, warrants or other rights to purchase or acquire Common Stock (whether or not at the time exercisable) or (b) securities by their terms convertible into or exchangeable for Common Stock (whether or not at the time so convertible or exchangeable) or options, warrants or rights to purchase such convertible or exchangeable securities (whether or not at the time exercisable):

(1) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options, warrants or other rights to purchase or acquire Common Stock shall be deemed to have been issued

at the time such options, warrants or rights are issued and for a consideration equal to the consideration (determined in the manner provided in Section 8(c)(i) (A) and (B)), if any, received by the Corporation upon the issuance of such options, warrants or rights plus the minimum purchase price provided in such options, warrants or rights for the Common Stock covered thereby;

(2) the aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such convertible or exchangeable securities, or upon the exercise of options, warrants or other rights to purchase or acquire such convertible or exchangeable securities and the subsequent conversion or exchange thereof, shall be deemed to have been

issued at the time such securities were issued or such options, warrants or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options, warrants or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the additional consideration (determined in the manner provided in Section 8(c)(i) (A) and (B)), if any, to be received by the Corporation upon the conversion or exchange of such securities, or upon the exercise of any related options, warrants or rights to purchase or acquire such convertible or exchangeable securities and the subsequent conversion or exchange thereof;

(3) on any change in the number of shares of Common Stock deliverable upon exercise of any such options, warrants or rights or conversion or exchange of such convertible or exchangeable securities or any change in the consideration to be received by the Corporation upon such exercise, conversion or exchange, but excluding changes resulting from the anti-dilution provisions thereof (to the extent comparable to the anti-dilution provisions contained herein), the Special Redemption Price as then in effect shall forthwith be readjusted to such Special Redemption Price as would have been obtained had an adjustment been made upon the issuance of such options, warrants or rights not exercised prior to such change, or of such convertible or exchangeable securities not converted or exchanged prior to such change, upon the basis of such change;

(4) on the expiration or cancellation of any such options, warrants or rights (without exercise), or the termination of the right to convert or exchange such convertible or exchangeable securities (without exercise), if the Special Redemption Price shall have been adjusted upon the issuance thereof, the Special Redemption Price shall forthwith be readjusted to such Special Redemption Price as would have been obtained had an adjustment been made upon the issuance of such options, warrants, rights or such convertible or exchangeable securities on the basis of the issuance of only the number of shares of Common Stock actually issued

upon the exercise of such options, warrants or rights, or upon the conversion or exchange of such convertible or exchangeable securities; and

(5) if the Special Redemption Price shall have been adjusted upon the issuance of any such options, warrants, rights or convertible or exchangeable securities, no further adjustment of the Special Redemption Price shall be made for the actual issuance of Common Stock upon the exercise, conversion or exchange thereof.

(ii) Stock Splits, Subdivisions, Reclassifications or Combinations. If the Corporation shall (1) declare a dividend or make a distribution on its Common Stock in shares of Common Stock, (2) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (3) combine or reclassify the outstanding Common Stock into a smaller number of shares, the Special Redemption Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by multiplying the Special Redemption Price at which the shares of Series C Preferred Stock were theretofore redeemable by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action, and the denominator of which shall be the number of shares of Common Stock outstanding immediately following such action.

(iii) Certain Repurchases of Common Stock. In case the Corporation effects a Pro Rata Repurchase of Common Stock, then the Special Redemption Price shall be reduced to the price determined by multiplying the Special Redemption Price in effect immediately prior to the effective date of such Pro Rata Repurchase by a fraction of which the numerator shall be the product of (x) the number of shares of Common Stock outstanding (including any tendered or exchanged shares) at such effective date, multiplied by the Market Price per share of Common Stock on the trading day next succeeding such effective date, and the denominator of which shall be the sum of (A) the fair market value of the aggregate consideration payable to stockholders based upon the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of all Purchased Shares and (B) the product of the number of shares of Common Stock outstanding (less any Purchased Shares) at such effective date and the Market Price per share of Common Stock on the trading day next succeeding such effective date, such reduction to become effective immediately prior to the opening of business on the day following such effective date.

(iv) Successive Adjustments. Successive adjustments in the Special Redemption Price shall be made, without duplication, whenever any event specified in Sections 8(c)(i), (ii) or (iii) or Section 13 shall occur.

(v) Rounding of Calculations; Minimum Adjustments. All calculations under this Section 8(c) shall be made to the nearest one-tenth (1/10th) of a cent. No adjustment in the Special Redemption Price is required if the amount of such adjustment would be less than $0.01; provided, however, that any adjustments which by reason of this Section

8(c)(v) are not required to be made will be carried forward and given effect in any subsequent adjustment.

(vi) Adjustment for Unspecified Actions. If the Corporation takes any action affecting the Common Stock, other than action described in this Section 8(c), which in the opinion of the Board of Directors would materially adversely affect the special redemption rights of the holders of shares of Series C Preferred Stock, the Deemed Conversion Price may be adjusted, to the extent permitted by law, in such manner, if any, and at such time, as such Board of Directors may determine in good faith to be equitable in the circumstances. Failure of the Board of Directors to provide for any such adjustment prior to the effective date of any such action by the Corporation affecting the Common Stock will be evidence that the Board of Directors has determined that it is equitable to make no adjustments in the circumstances.

(vii) Voluntary Adjustment by the Corporation. The Corporation may at its option, at any time during the term of the shares of Series C Preferred Stock, reduce the then current Special Redemption Price to any amount deemed appropriate by the Board of Directors; provided, however, that if the Corporation elects to make such adjustment, such adjustment will remain in effect for at least a 15-day period, after which time the Corporation may, at its option, reinstate the Special Redemption Price in effect prior to such reduction, subject to any interim adjustments pursuant to this Section 8(c).

(viii) Statement Regarding Adjustments. Whenever the Special Redemption Price shall be adjusted as provided in this Section 8(c), the Corporation shall forthwith file, at the principal office of the Corporation, a statement showing in reasonable detail the facts requiring such adjustment and the Special Redemption Price that shall be in effect after such adjustment and the Corporation shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each holder of shares of Series C Preferred Stock at the address appearing in the Corporation's records.

(ix) Notices. In the event that the Corporation shall give notice or make a public announcement to the holders of Common Stock of any action of the type described in this Section 8(c) (but only if the action of the type described in this Section 8(c) would result in an adjustment in the Special Redemption Price), the Corporation shall, at the time of such notice or announcement, and in the case of any action which would require the fixing of a record date, at least 10 days prior to such record date, give notice to each holder of shares of Series C Preferred Stock, in the manner set forth in Section 8(c)(viii), which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth the facts with respect thereto as shall be reasonably necessary to indicate the effect on the Special Redemption Price and the number, kind or class of shares or other securities or property, if any, which shall be deliverable upon special redemption of the shares of Series C Preferred Stock. Failure to give such notice, or any defect therein, shall not affect the legality or validity of any such action.

(x) Miscellaneous. Except as provided in Section 8(c), no adjustment in respect of any dividends or other payments or distributions made to holders of shares of Se-

ries C Preferred Stock of amounts payable upon the special redemption of the shares of Series C Preferred Stock will be made during the term of the shares of Series C Preferred Stock or upon the special redemption of the shares of Series C Preferred Stock. In addition, notwithstanding any of the foregoing, no such adjustment will be made for the issuance or conversion of any Securities (as defined in the Purchase Agreement).

9. STATUS OF SHARES. All shares of Series C Preferred Stock that are at any time redeemed pursuant to Section 5, converted pursuant to Section 7 or specially redeemed pursuant to Section 8 and all shares of Series C Preferred Stock that are otherwise reacquired by the Corporation shall (upon compliance with any applicable provisions of the laws of the State of Delaware) have the status of authorized but unissued shares of preferred stock, without designation

as to series, subject to reissuance by the Board of Directors as shares of any one or more other series.

10. VOTING RIGHTS.

(a) The holders of record of shares of Series C Preferred Stock shall not be entitled to any voting rights except as hereinafter provided in this Section 10 or as otherwise provided by law.

(b) The holders of the shares of Series C Preferred Stock shall be entitled to notice of all stockholders' meetings in accordance with the Certificate of Incorporation and Bylaws of the Corporation as if they are holders of Common Stock.

(c) So long as at least one-third of the aggregate outstanding shares of Series C Preferred Stock issued prior to the date of determination remain outstanding, the Corporation shall not, without the written consent or affirmative vote at a meeting called for that purpose by holders of at least a majority of the outstanding shares of Series C Preferred Stock:

(i) (x) amend, alter or repeal any provision of the Corporation's By-laws or Certificate of Incorporation (by merger or otherwise) so as to adversely affect the rights, privileges or economics of the Series C Preferred Stock; provided that the creation, authorization or issuance of any Junior Securities shall not by itself be deemed to have any such adverse effect or (y) adopt or permit to be effective any "share purchase rights plan" or similar instrument that would have the effect of diluting the economic or voting interest in the Corporation of the Investor or any holder of Series B Preferred Stock or Series C Preferred Stock;

(ii) create, authorize or issue any Senior Securities or any Parity Securities or increase the issued and authorized number of shares of Series B Preferred Stock or Series C Preferred Stock, or any security convertible into, or exchangeable or exercisable for, shares of Senior Securities or Parity Securities, in each case other than the creation and issuance of the Series B Preferred Stock pursuant to the Purchase Agreement;

(iii) split, reverse split, subdivide, reclassify or combine the Series C Preferred Stock;

(iv) incur or guarantee, directly or indirectly (including through merger, acquisition or other transaction), or permit any Subsidiary to incur or guarantee, directly or indirectly (including through merger, acquisition or other transaction), any indebtedness, distribute or permit any non-wholly owned Subsidiary (it being agreed that any Subsidiary that would be wholly owned but for directors' qualifying shares or other similar de minimis equity interests shall be deemed to be wholly owned for the purposes of this clause (iv)) to distribute to any securityholders any asset, purchase or permit any Subsidiary to purchase any securities issued by the Corporation or any Subsidiary or pay or permit any non-wholly owned Subsidiary to pay any dividend, if following such transaction, (A) (x) indebtedness divided by (y) pro forma EBITDA would be in excess of 4.1; or, (B) (x) the sum of (1) indebtedness and (2) Base Liquidation Value of the outstanding preferred stock divided by (y) pro forma EBITDA would be in excess of 5.35. For purposes of these calculations, the terms "indebtedness," and "pro forma EBITDA" shall have the meaning attributed to such terms (or their functional equivalent) under the Corporation's most significant senior credit agreement as such agreement may exist on the date of determination or, if no such agreement shall exist on the date of determination, the meaning attributed to such terms (or their functional equivalent) in the Corporation's most recent senior credit agreement, in each case, for the purposes of evaluating the Corporation's compliance with financial covenants and as used in this clause (iv) the term "Base Liquidation Value" shall have for the purposes of each series of preferred stock the meaning assigned to such term in the Certificate of Designations relating to such series;

(v) increase the number of directors on the Corporation's Board of Directors above nine; and

(vi) take any other action that (A) adversely affects the rights or privileges of any holder of Series B Preferred Stock or (B) adversely affects the economics of any holder of Series B Preferred Stock in a manner that disproportionately affects holders of Series B Preferred Stock as compared to holders of the Common Stock, it being understood that for purposes of subclause (B) any action approved by the Designated Director shall not be deemed to have any such adverse effect, and provided, further, that operating the business of the Corporation in the ordinary course, as determined in good faith by the Board of Directors, which shall include including making acquisitions or incurring further indebtedness, does not require any approval under this clause (vi)(B) so long as such action would not expressly require approval of holders of Series C Preferred Stock under any of the

foregoing clauses (i) through (v) above;

provided that no such consent or vote of the holders of Series C Preferred Stock shall be required if at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such securities is to be made, as the case may be, all shares of Series C Preferred Stock at the time outstanding shall have been converted by the Corporation in accordance with Section 7(a) hereof.

(d) The consent or votes required in Section 10(c) shall be in addition to any approval of stockholders of the Corporation which may be required by law or pursuant to any provision of the Corporation's Certificate of Incorporation or Bylaws, which approval shall be obtained by vote of the stockholders of the Corporation in the manner provided in Section 10(b).

11. DEFINITIONS.

Unless the context otherwise requires, when used herein the following terms shall have the meaning indicated.

"ACQUISITION" means the closing of the acquisitions by the Corporation of AHI, in accordance with the terms of the AHI Acquisition Agreement.

"AFFILIATE" means with respect to any Person, any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person. For purposes of this definition, the term "control" (and correlative terms "controlling," "controlled by" and "under common control with") means possession of the power, whether by contract, equity ownership or otherwise, to direct the policies or management of a Person.

"AHI" means American Household, Inc.

"AHI ACQUISITION AGREEMENT" means the Securities Purchase Agreement, dated as of September 19, 2004, among the Corporation and the Sellers identified therein in the form in which it exists on the date hereof as such may be amended in accordance with Section 3.1(d) of the Purchase Agreement.

"BENEFICIALLY OWN" or "BENEFICIAL OWNERSHIP" is defined in Rules 13d-3 and 13d-5 of the Exchange Act, but without taking into account any contractual restrictions or limitations on voting or other rights.

"BOARD OF DIRECTORS" means the board of directors of the Corporation.

"BUSINESS COMBINATION" means (i) any reorganization, consolidation, merger, share exchange or similar business combination transaction involving the Corporation with any Person or (ii) the sale, assignment, conveyance, transfer, lease or other disposition by the Corporation of all or substantially all of its assets.

"CAPITAL STOCK" means (i) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (ii) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

"CHANGE IN CONTROL" shall mean the happening of any of the following events:

(a) The acquisition by any Person (other than Warburg Pincus LLC or any of its Affiliates) of Beneficial Ownership of 50% or more of either (A) the then-outstanding shares of Common Stock of the Corporation (the "OUTSTANDING CORPORATION COMMON STOCK") or (B) the combined voting power of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "OUTSTANDING CORPORATION VOTING SECURITIES"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Corporation, (ii) any acquisition by the Corporation, (iii) any

acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any company that is an Affiliate of the Corporation or (iv) any acquisition by any corporation pursuant to a transaction that complies with (c)(A) and (c)(B) in this definition; or

(b) Individuals who, as of the date hereof, constitute the Board of Directors (the "INCUMBENT BOARD") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Corporation's shareholders,

was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; or

(c) Consummation of a Business Combination, in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the Beneficial Owners of the Outstanding Corporation Common Stock and the Outstanding Corporation Voting Securities immediately prior to such Business Combination Beneficially Own, directly or indirectly, not less than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Corporation Common Stock and the Outstanding Corporation Voting Securities, as the case may be, and (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation; or

(d) Approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.

"CHANGE IN CONTROL THRESHOLD PRICE" means (a) during the period beginning on the Initial Funding Date and ending on the day immediately preceding the first anniversary of the Initial Funding Date, $34.10 per share of Common Stock, (b) during the period beginning on the first anniversary of the Initial Funding Date and ending on the day immediately preceding the second anniversary of the Initial Funding Date, $36.25 per share of Common Stock, (c) during the period beginning on the second anniversary of the Initial Funding Date and ending on the day immediately preceding the third anniversary of the Initial Funding Date, $39.20 per share of Common Stock, (d) during the period beginning on the third anniversary of the Initial Funding Date and ending on the day immediately preceding the fourth anniversary of the Initial Funding Date, $42.10 per share of Common Stock and (e) during the period beginning on the fourth anniversary of the Initial

Funding Date and ending on the day immediately preceding the fifth anniversary of the Initial Funding Date, $45.40 per share of Common Stock; provided that in the event the Corporation shall (A) declare a dividend on the Common Stock payable in Common Stock, (B) subdivide the outstanding Common Stock, (C) combine the outstanding Common Stock into a smaller number of Common Stock or (D) issue any shares of its capital stock in a reclassification of the Common Stock (including any such reclassification in connection with a share exchange, consolidation or merger in which the Corporation is the continuing or surviving corporation) (whether or not permitted by this Certificate) the aforementioned prices in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification shall be proportionately adjusted.

"COMMON STOCK" means the Common Stock of the Corporation, par value $0.01 per share.

"CORPORATION COMPETITOR" shall mean any person that derives more than 10% of such persons' total annual revenues for its most recently completed fiscal year from a business that competes in a material way with a business that represents more than 5% of the consolidated revenues of the Corporation and its Subsidiaries for its most recently completed fiscal year.

"DESIGNATED DIRECTOR" shall mean the Person, if any, designated as "Board Representative" in accordance with Section 4.4 of the Purchase Agreement.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"EXCLUDED STOCK" means (i) shares of Common Stock issued by the Corporation as a stock dividend payable in shares of Common Stock, or upon any subdivision or split-up of the outstanding shares of Capital Stock in each case which is subject to the provisions of Section 7(c)(ii), or upon conversion of shares of Capital Stock (but not the issuance of such Capital Stock which will be subject to the provisions of Section 7(c)(i)(C)), (ii) the issuance of shares of Common Stock in

any bona fide underwritten public offering, (iii) the issuance of shares of Common Stock (including upon exercise of options) to directors, advisors, employees or consultants of the Corporation pursuant to a stock option plan, restricted stock plan or other agreement approved by the Board of Directors or the Corporation's employee stock purchase plan, (iv) the issuance of shares of Common Stock in connection with acquisitions of assets or securities of another Person (other than issuances to Persons that were affiliates of the Corporation at the time that the agreement with respect to such issuance was entered into), (v) the issuance of shares of Common Stock upon exercise of the Series C Preferred Stock and the Series B Preferred Stock and (vi) warrants issued to lenders of non-convertible debt and the Common Stock issuable upon the exercise of such warrants; provided, that the Common Stock issuable in respect of such warrants does not exceed, in the aggregate with respect to all such issuances of such warrants, 2.00% of the issued and outstanding shares of Common Stock.

"INITIAL FUNDING DATE" means the date on which the Cash Proceeds (as defined in the Purchase Agreement) are delivered to the Escrow Agent (as defined in the Purchase Agreement) in accordance with the Purchase Agreement.

"MARKET PRICE" means, with respect to a particular security, on any given day, the volume weighted average price or, in case no such reported sales take place on such day, the average of the highest asked and lowest bid prices regular way, in either case on the principal national securities exchange on which the applicable security is listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, (i) the average of the highest and lowest sale prices for such day reported by the Nasdaq Stock Market if such security is traded over-the-counter and quoted in the Nasdaq Stock Market, or (ii) if such security is so traded, but not so quoted, the average of the highest reported asked and lowest reported bid prices of such security as reported by the Nasdaq Stock Market or any comparable system, or (iii) if such security is not listed on the Nasdaq Stock Market or any comparable system, the average of the highest asked and lowest bid prices as furnished by two members of the National Association of Securities Dealers, Inc. selected from time to time by the Corporation for that purpose. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price per share of Common Stock shall be deemed to be the fair value per share of such security as determined in good faith by the Board of Directors.

"PERSON" means an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

"PRO RATA REPURCHASES" means any purchase of shares of Common Stock by the Corporation or any Affiliate thereof pursuant to any tender offer or exchange offer subject to Section 13(e) of the Exchange Act, or pursuant to any other offer available to substantially all holders of Common Stock, whether for cash, shares of capital stock of the Corporation, other securities of the Corporation, evidences of indebtedness of the Corporation or any other person or any other property (including, without limitation, shares of capital stock, other securities or evidences of indebtedness of a Subsidiary of the Corporation), or any combination thereof, effected while any shares of Series C Preferred Stock are outstanding; provided, however, that "Pro Rata Repurchase" shall not include any purchase of shares by the Corporation or any Affiliate thereof made in accordance with the requirements of Rule 10b-18 as in effect under the Exchange Act. The "Effective Date" of a Pro Rata Repurchase shall mean the date of acceptance of shares for purchase or exchange under any tender or exchange offer which is a Pro Rata Repurchase or the date of purchase with respect to any Pro Rata Repurchase that is not a tender or exchange offer.

"PURCHASE AGREEMENT" means the Purchase Agreement, dated as of September 19, 2004, among the Corporation and the purchasers named therein, including all schedules and exhibits thereto, as the same may be amended from time to time.

"SERIES B PREFERRED STOCK" shall mean the Series B Preferred Stock of the Corporation issued or to be issued, in accordance with the Purchase Agreement.

"SUBSIDIARY" of a Person means (i) a corporation, a majority of whose stock with voting power, under ordinary circumstances, to elect directors is at the time of determination, directly or indirectly, owned by such Person or by one or more Subsidiaries of such Person, or (ii) any other entity (other than a corporation) in which such Person or one or more Subsidiaries of such Person, directly or indirectly, at

the date of determination thereof has at least a majority ownership interest.

"TRADING DAY" means any day that the New York Stock Exchange, Inc. is open for trading.

"TRANSFER" shall mean any sale, transfer, assignment, pledge or other disposition or encumbrance.

13. MERGER OR CONSOLIDATION OF THE CORPORATION.

The Corporation will not merge or consolidate into, or sell, transfer or lease all or substantially all of its property to, any other corporation unless the successor, transferee or lessee corporation, as the case may be (if not the Corporation), (a) expressly assumes the due and punctual performance and observance of each and every covenant and condition of this Certificate to be performed and observed by the Corporation and (b) expressly agrees to exchange, at the holder's option, shares of Series C Preferred Stock for shares of the surviving corporation's capital stock on terms substantially similar to the terms under this Certificate. In case of any Business Combination or reclassification of Common Stock (other than a reclassification of Common Stock referred to in Section 7(c)(ii)), lawful provision shall be made as part of the terms of such Business Combination or reclassification whereby the holder of each share of Series C Preferred Stock then outstanding shall have the right thereafter to convert such share only into the kind and amount of securities, cash and other property receivable upon the Business Combination or reclassification by a holder of the number of shares of Common Stock into which a share of Series C Preferred Stock would have been convertible immediately prior to the Business Combination or reclassification. The Corporation, the Person formed by the consolidation or resulting from the merger or which acquires such assets or which acquires the Corporation's shares, as the case may be, shall make provisions in its certificate or articles of incorporation or other constituent documents to establish such rights and to ensure that the dividend, voting and other rights of the holders of Series C Preferred Stock established herein are unchanged, except as required by applicable law. The certificate or articles of incorporation or other constituent documents shall provide for adjustments, which, for events subsequent to the effective date of the certificate or articles of incorporation or other constituent documents, shall be as nearly equivalent as may be practicable to the adjustments provided for in Section 7 and in Section 8.

14. RESTRICTIONS ON TRANSFER.

Without the prior written consent of the Corporation, a holder of shares of Series C Preferred Stock may not transfer such shares of Series C Preferred Stock to any person if such person (i) is a Corporation Competitor or (ii) has not executed a joinder agreement pursuant to which it has agreed to be bound by the Purchase Agreement provided that the foregoing transfer restrictions shall not apply to Permitted Transfers (as defined in the Purchase Agreement).

15. NO OTHER RIGHTS.

The shares of Series C Preferred Stock shall not have any relative, participating, optional or other special rights and powers except as set forth herein or as may be required by law.

This Certificate shall become effective upon the filing thereof with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be duly executed and acknowledged by its undersigned duly authorized officer this ____ day of _____, 2004.

JARDEN CORPORATION

By:

Name:
Title:

September 19, 2004

Jarden Corporation
555 Theodore Fremd Avenue, Suite B-302
Rye, New York 10580-1455

Attention: Martin E. Franklin
Chairman and Chief Executive Officer

JARDEN CORPORATION
$1,050,000,000 SENIOR SECURED CREDIT FACILITIES
COMMITMENT LETTER

Ladies and Gentlemen:

Jarden Corporation ("YOU" or the "COMPANY") has advised Citigroup and CIBC (each as defined below) that the Company intends to consummate the Transactions, as defined and described in Exhibit A hereto (the "TRANSACTION DESCRIPTION"), and that the Company desires to establish the senior secured credit facilities described herein, the proceeds of which would be used by the Company (i) to finance a portion of the Transactions, (ii) to refinance certain indebtedness of the Company and the Acquired Business (as defined in the Transaction Description), (iii) to provide working capital from time to time for the Company and its subsidiaries and (iv) for other general corporate purposes (including, without limitation, the making of acquisitions permitted under the Operative Documents (as defined below)). You have asked CUSA (as defined below) and Canadian Imperial Bank of Commerce (collectively, the "INITIAL LENDERS") to commit to provide the Company with financing commitments for the entire amount of the Senior Secured Facilities (as defined in the Transaction Description). Capitalized terms used in this Commitment Letter but not defined herein shall have the meanings ascribed to such terms in the Transaction Description.

Subject to the terms and conditions described in this letter agreement (including Schedule A hereto) and the attached Exhibits A, B and C and each of the annexes thereto (collectively, and together with the Fee Letter referred to below, this "COMMITMENT LETTER"), (i) Citicorp USA, Inc. ("CUSA") is pleased to inform you of its commitment to provide the Company an amount equal to fifty-five percent (55%) of the principal amount of each of the Term Facility and the Revolving Facility and of its agreement to act as Syndication Agent and (ii) Canadian Imperial Bank of Commerce is pleased to inform you of its commitment to provide the Company an amount equal to forty-five percent (45%) of the principal amount of each of the Term Facility and the Revolving Facility and of its agreement to act as Administrative Agent; provided, however, that each Initial Lender's commitment to provide its portion of the Senior Secured Facilities will be irrevocably reduced pro rata by the amount of the commitment of any prospective Lender (as defined below) to provide a portion of the Senior Secured Facilities, effective upon delivery of written evidence of such Lender's commitment to the Company.

For purposes of this Commitment Letter, (i) "CGMI" shall mean Citigroup Global Markets Inc., and "CITIGROUP" shall mean CUSA, CGMI and/or any affiliate of any of either of them as CUSA or CGMI shall determine to be appropriate to provide the services contemplated herein, (ii) "CIBC WMC" shall mean CIBC World Markets Corp. and "CIBC" shall mean Canadian Imperial Bank of Commerce, CIBC WMC and/or any affiliate of any of either of them as Canadian Imperial Bank of Commerce or CIBC

WMC shall determine to be appropriate to provide the services contemplated herein, and (iii) "ARRANGERS" shall mean CGMI and CIBC WMC, in their capacity as joint lead arrangers and book-running managers of the Senior Secured Facilities.

1. CONDITIONS PRECEDENT

The commitment of each of the Initial Lenders hereunder is subject to:

(a) the preparation, execution and delivery of definitive documentation with respect to the Senior Secured Facilities, including, without limitation, credit agreements, security agreements, guarantees and other agreements incorporating substantially the terms and conditions outlined in this Commitment Letter and otherwise reasonably satisfactory to each Initial Lender and their counsel (the "OPERATIVE DOCUMENTS");

(b) the absence of any event or occurrence which, in the sole judgment of either Arranger, has resulted in or could reasonably be expected to result in a material adverse change in the business, assets, operations, properties, condition (financial or otherwise) or liabilities (contingent or otherwise) of the Company and its subsidiaries (after giving effect to the Acquisition), taken as a whole, or of the Acquired Business, since December 31, 2003;

(c) the accuracy and completeness in all material respects of all representations that the Company or any of its affiliates makes to the Initial Lenders and all information that the Company or any of its affiliates furnishes to the Initial Lenders;

(d) the Initial Lenders not discovering or otherwise becoming aware of any material information not previously disclosed to the Initial Lenders that either Initial Lender believes to be materially inconsistent, in a manner adverse to the interests of the Lenders, with its understanding, based on the information that is publicly available or has been provided to such Initial Lender by or on behalf of the Company before the date of this Commitment Letter, of the business, assets, operations, properties, condition (financial or otherwise) or liabilities (contingent or otherwise) of the Company and its subsidiaries or the Acquired Business;

(e) the execution, delivery and compliance with the terms of this Commitment Letter, including the Fee Letter; and

(f) the satisfaction of other conditions precedent to the initial funding of the Senior Secured Facilities contained in Exhibits B and C.

2. COMMITMENT TERMINATION

The commitments of the Initial Lenders and their respective obligations set forth in this Commitment Letter will terminate on the earliest of (a) 5:00p.m. (New York time) on March 15, 2005, (b) the date the Operative Documents become effective and (c) the date of termination of the Acquisition Agreement in accordance with its terms.

3. SYNDICATION

The Arrangers reserve the right, before or after the execution of the Operative Documents, to syndicate all or a portion of the commitments of the Initial Lenders to one or more other financial institutions acceptable to the Arrangers that will become parties to the Operative Documents pursuant to a

syndication to be managed by the Arrangers in consultation with the Company (the financial institutions becoming parties to the Operative Documents being collectively referred to herein as the "LENDERS"). The Company understands that the Arrangers intend to commence such syndication efforts promptly and it may elect to appoint one or more agents or co-agents reasonably acceptable to the Company to assist in such syndication efforts.

The Arrangers will manage all aspects of the syndication of the Senior Secured Facilities in consultation with the Company, including, without limitation, the timing of all offers to potential Lenders, the determination of all amounts offered to potential Lenders, the selection of Lenders, the allocation of commitments among the Lenders, the assignment of any titles and the compensation to be provided to the Lenders.

The Company shall take all action that the Arrangers may reasonably request to assist it in forming a syndicate acceptable to them. The Company's assistance in forming such syndicate shall include, but not be limited to: (i) making senior management, representatives and advisors of the Company (and using its commercially reasonable efforts to make senior management of the Acquired Business) available to participate in information meetings with potential Lenders at such times and places as the Arrangers may reasonably request; (ii) using its commercially reasonable efforts to ensure that the syndication effort benefits from the existing lending relationships of the Company and of the Acquired Business; (iii) assisting (including using its commercially reasonable efforts to cause its affiliates and advisors to assist and to cause the Acquired Business to assist) in the preparation of a confidential information memorandum for the Senior Secured Facilities and other marketing and rating agency materials to be used in connection with the syndication of the Senior Secured Facilities; and (iv) promptly providing the Arrangers with all information reasonably deemed necessary by it to complete a Successful Syndication (as defined in the Fee Letter) of the Senior Secured Facilities.

To ensure an orderly and effective syndication of the Senior Secured Facilities, the Company agrees that, until a Successful Syndication shall have been achieved, it will not and will not permit any of its affiliates or the Company to (and will use its commercially reasonable efforts to cause the Acquired Business not to), syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, or engage in discussions concerning the syndication or issuance of, any debt security or commercial bank or other debt facility (including, without limitation, any renewals thereof), without the prior written consent of the Arrangers, other than (i) the Senior Secured Facilities described herein, (ii) intercompany loans made by the Company or its subsidiaries to the Company or any other subsidiary, as applicable and (iii) local lines of credit provided by banks or other financial institutions to foreign subsidiaries of the Company in amounts reasonably acceptable to the Arrangers.

CGMI and CIBC WMC will act as sole joint lead arrangers and joint book-running managers for the Senior Secured Facilities (with CGMI on the "left" and CIBC WMC on the "right"). CIBC will act as the collateral agent and administrative agent for the Senior Secured Facilities. CUSA will act as syndication agent for the Senior Secured Facilities. The Company agrees that no additional agents,

co-agents or lead arrangers will be appointed, or other titles conferred, without the consent of the Arrangers. The Company agrees that no Lender will receive any compensation of any kind for its participation in the Senior Secured Facilities, except as expressly provided in the Fee Letter or in Exhibit B.

4. FEES

In addition to the fees described in Exhibit B, the Company will pay the fees set forth in the letter agreement, dated the date hereof (the "FEE LETTER"), between the Company, the Initial Lenders and the

Arrangers. The terms of the Fee Letter are an integral part of the commitments of each Initial Lender hereunder and constitute part of this Commitment Letter for all purposes hereof.

5. INDEMNIFICATION

The Company agrees to indemnify and hold harmless Citigroup, CIBC, each Lender and each of their respective affiliates and each of their respective officers, directors, employees, agents, advisors and representatives (each, an "INDEMNIFIED PERSON") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel), joint or several, that may be incurred by or asserted or awarded against any Indemnified Person (including, without limitation, in connection with or relating to, any investigation, litigation or proceeding or the preparation of any defense in connection therewith) in each case arising out of or in connection with or relating to this Commitment Letter, the Acquisition or the other Transactions, or any actual or proposed use of the proceeds of the Senior Secured Facilities, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted primarily from such Indemnified Person's gross negligence or willful misconduct or from any material breach by such Indemnified Person of the obligations owing by it to the Company under this Commitment Letter. In the case of an investigation, litigation or other proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective, whether or not such investigation, litigation or proceeding is brought by the Company, the Acquired Business or any of their respective directors, security holders or creditors, an Indemnified Person or any other person, or an Indemnified Person is otherwise a party thereto and whether or not any of the Transactions is consummated.

No Indemnified Person shall have any liability (whether direct or indirect, in contract, tort or otherwise) to the Company, the Acquired Business or any of their respective security holders or creditors for or in connection with the Transactions, except to the extent such liability is determined in a final, non-appealable judgment by a court of competent jurisdiction to have resulted primarily from such Indemnified Person's gross negligence or willful misconduct or from any material breach by such Indemnified Person of the obligations owing by it to the Company under this Commitment Letter. In no event, however, shall any Indemnified Party be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or anticipated savings).

6. COSTS AND EXPENSES

The Company agrees to pay or reimburse each Initial Lender on demand for all reasonable out-of-pocket costs and expenses incurred by each such Initial Lender (whether incurred before or after the date hereof) in connection with the Senior Secured Facilities and the preparation, negotiation, execution and delivery of this Commitment Letter, the Operative Documents and any security arrangements in connection therewith, including, without limitation, the reasonable fees and expenses of external counsel and of internal and third party appraisers advising the Initial Lenders, regardless of whether any of the Transactions is consummated. The Company further agrees to pay all out-of-pocket costs and expenses of the Initial Lenders (including, without limitation, reasonable fees and disbursements of counsel) incurred in connection with the enforcement of any of their respective rights and remedies hereunder.

7. CONFIDENTIALITY

The Company agrees that this Commitment Letter is for its confidential use only and that neither its existence nor the terms hereof will be disclosed by it to any person other than the officers, directors,

employees, accountants, attorneys and other advisors of the Company (the "COMPANY REPRESENTATIVES"), and then only on a confidential and "need to know" basis in connection with the Transactions; provided, however, that (i) the Company may disclose the existence and the terms hereof to the extent required, in the opinion of its counsel, by applicable law, and (ii) following the Company's acceptance of the provisions hereof as provided below and its return of an executed counterpart of this Commitment Letter to Citigroup and CIBC, the Company may (x) disclose the existence and terms hereof (other than the Fee Letter) to the Acquired Business, the principal shareholders of American

Household and the Sponsor and each of their respective officers, directors, employees, accountants, attorneys and other advisors, and then only on a confidential and "need to know" basis in connection with the Transactions, (y) file a copy of this Commitment Letter (other than the Fee Letter) in any public record in which it is required by law or by regulation of any applicable governmental authority to be filed (or which, in the opinion of its counsel, is reasonably necessary to file in order to comply with such law or regulation) and may publicly disclose the amount of the commitment and the identity of the agents and arrangers and (z) file a copy of the Fee Letter, upon at least 5 business days' prior written notice to the Initial Lenders, in any public record in which it is required by law or by regulation of any applicable governmental authority to be filed (or which, in the opinion of its counsel, is reasonably necessary to file in order to comply with such law or regulation). Notwithstanding any other provision in this Commitment Letter, each Initial Lender hereby confirms that the Company and the Company Representatives shall not be limited from disclosing the U.S. tax treatment or U.S. tax structure of the Senior Secured Facilities and the other Transactions contemplated hereby.

Each Arranger and each Initial Lender agrees that agrees that this Commitment Letter is for its confidential use only and that neither its existence nor the terms hereof will be disclosed by it to any person other than its respective officers, directors, employees, accountants, attorneys and other advisors and then only on a confidential and "need to know" basis in connection with the Transactions; provided, however, that each Arranger and Initial Lender may disclose (i) this Commitment Letter or the existence and the terms hereof to the extent required by applicable law or by regulation of any applicable regulatory authority (or which, in the opinion of its counsel, is reasonably necessary to comply with such law or regulation) and (ii) this Commitment Letter or the terms hereof to any Lender or potential Lender in connection with the syndication of the Senior Secured Facilities provided that any such Lender or potential Lender shall have agreed to be bound by the confidentiality provisions specified in the Confidential Information Memorandum referred to in paragraph 12 of Exhibit C.

8. REPRESENTATIONS AND WARRANTIES

The Company represents and warrants that (i) all information (other than financial projections) that has been or will hereafter be made available to any Initial Lender, any Lender or any potential Lender by or on behalf of the Company, the Acquired Business or any of their respective representatives in connection with the Transactions is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made and (ii) all financial projections, if any, that have been or will be prepared by or on behalf of the Company, the Acquired Business or any of their respective representatives and made available to any Initial Lenders, any Lender or any potential Lender have been or will be prepared in good faith based upon assumptions that are reasonable at the time made and at the time the related financial projections are made available to the Initial Lenders (it being understood that such projections are subject to significant uncertainties and contingencies, many of which are beyond the Company's control, and that no assurance can be given that the projections will be realized); provided, that in the event that at any time the foregoing representations and warranties would otherwise be incorrect, the Company agrees to

supplement the information and projections from time to time until the Operative Documents become effective so that the representations and warranties contained in this paragraph remain correct at such time.

In providing this Commitment Letter and in arranging the Senior Secured Facilities including the syndication of the Senior Secured Facilities, each Arranger and each Initial Lender is relying on the accuracy of the information furnished to it by or on behalf of the Company, the Acquired Business or any of their respective representatives and the information available to it from generally recognized public sources, in each case, without responsibility for independent verification thereof.

9. NO THIRD PARTY RELIANCE OR ASSIGNMENT; AMENDMENTS; SHARING INFORMATION

The agreements of each Initial Lender hereunder and of any Lender that issues a commitment to provide financing under the Senior Secured Facilities are made solely for the benefit of the Company and may not be relied upon or enforced by any other person. Please note that those matters that are not covered or made clear in this Commitment Letter are subject to mutual agreement of the parties. The Company may not assign or delegate any of its rights or obligations hereunder without the prior written consent of each Initial Lender, and any attempted assignment or delegation without such consent shall be void ab initio. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each party hereto. This Commitment Letter is not intended to create a fiduciary relationship among the parties hereto.

The Company acknowledges that each Arranger and each Initial Lender may provide debt financing, equity capital or other services (including financial advisory services) to parties whose interests regarding the Transactions may conflict

with the interests of the Company and each Arranger and each Initial Lender has so advised the Company. Consistent with each Initial Lender's policy to hold in confidence the affairs of its customers, each Initial Lender agrees that it will not furnish confidential information obtained from the Company or its affiliates to any of its other customers. Furthermore, each Initial Lender agrees that it will not make available to the Company for use in connection with the Transactions, confidential information obtained, or that may be obtained, by such Initial Lender from any other person.

10. GOVERNING LAW, ETC.

This Commitment Letter shall be governed by, and construed in accordance with, the law of the State of New York.

Each of the Company, the Arrangers and the Initial Lenders irrevocably and unconditionally submits to the nonexclusive jurisdiction of any state or federal court sitting in The City of New York over any suit, action or proceeding arising out of or relating to this Commitment Letter. Service of any process, summons, notice or document by registered mail addressed to the Company, either Arranger or either Initial Lender shall be effective service of process against such person for any suit, action or proceeding brought in any such court. Each of the Company, the Arrangers and the Initial Lenders irrevocably and unconditionally waives any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. A final judgment in any such suit, action or proceeding brought in any such court may be enforced in any other courts to whose jurisdiction the Company, either Arranger or either Initial Lender is or may be subject, by suit upon judgment.

This Commitment Letter sets forth the entire agreement among the parties with respect to the matters addressed herein and supersedes all prior communications, written or oral, with respect hereto. This Commitment Letter may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and all of which, taken together, shall constitute one and the same Commitment Letter. Delivery of an executed counterpart of a signature page to this Commitment Letter by telecopier shall be as effective as delivery of a manually executed counterpart of this Commitment Letter. Sections 3 through 7 and Sections 10 through 12 hereof shall survive the termination, expiration or amendment of each Initial Lender's commitment hereunder; provided, that Sections 3 and 5 shall not survive the termination of the Initial Lenders' commitment hereunder if the Closing Date does not occur at the time of such termination. The Company acknowledges that information and documents relating to the Senior Secured Facilities may be transmitted through IntraLinksTM, the internet or similar electronic transmission systems.

11. PATRIOT ACT.

The Arrangers hereby notify you that pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "PATRIOT ACT"), each Lender is required to obtain, verify and record information that identifies the Company, which information includes the name, address, tax identification number and other information regarding the Company that will allow such Lender to identify the Company in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective as to each Lender.

12. WAIVER OF JURY TRIAL

EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS COMMITMENT LETTER OR THE TRANSACTIONS OR THE ACTIONS OF THE PARTIES HERETO OR ANY OF THEIR AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

Please indicate your acceptance of the provisions hereof by signing the enclosed copy of this Commitment Letter and the Fee Letter and returning them to the Initial Lenders, (i) in the case of Citigroup, to the attention of Stephen R. Sellhausen, Managing Director, Citigroup Global Markets Inc., 390 Greenwich Street, New York, New York 10013 (facsimile: (212) 723-8691) and (ii) in the case of CIBC, to the attention of Dean Decker, Managing Director, CIBC World Markets Corp., 10880 Wilshire Boulevard, 17th Floor, Los Angeles, CA 90024 (facsimile: (310) 446-3610), in each case at or before 5:00 p.m. (New York City time) on September 20, 2004, the time at which the commitments of each Initial Lender set forth above (if not so accepted prior thereto) will terminate. If you elect to deliver this Commitment Letter by telecopier, please arrange for the executed original to follow by next-day courier.

Very truly yours,

CITICORP USA, INC.

By: /s/ Stephen R. Sellhausen

Name: Stephen R. Sellhausen
Title: Vice President

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Stephen R. Sellhausen

Name: Stephen R. Sellhausen
Title: Managing Director

CANADIAN IMPERIAL BANK OF COMMERCE

By: /s/ Dean J. Decker

Name: Dean J. Decker
Title: Managing Director
CIBC World Markets Corp., as Agent

CIBC WORLD MARKETS CORP.

By: /s/ Dean J. Decker

Name: Dean J. Decker
Title: Managing Director

[SIGNATURE PAGE TO JARDEN COMMITMENT LETTER]

ACCEPTED this 19th day
of September, 2004

Jarden Corporation

By: /s/ Desiree DeStefano

Name: Desiree DeStefano
Title: Senior Vice President

[SIGNATURE PAGE TO JARDEN COMMITMENT LETTER]

ANTI-TYING DISCLOSURE

RE: JARDEN CORPORATION $1,050,000,000 SENIOR SECURED CREDIT FACILITIES

Citigroup's Global Corporate and Investment Bank ("GCIB") maintains a policy of strict compliance with the anti-tying provisions of the Bank Holding Company Act of 1956, as amended, and the regulations issued by the Federal Reserve Board implementing the anti-tying rules (collectively, the "Anti-tying Rules"). Moreover our credit policies provide that credit must be underwritten in a safe and sound manner and be consistent with Section 23B of the Federal Reserve Act

and the requirements of federal law. Consistent with these requirements, and the GCIB's Anti-tying Policy:

- You will not be required to accept any product or service offered by Citibank or any Citibank affiliate as a condition to the extension of commercial loans or other products or services to you by Citibank, unless such a condition is permitted under an exception to the Anti-tying Rules. As used in this paragraph and the next three paragraphs, "Citibank" means, collectively, Citibank, N.A. and its U.S. subsidiaries.

- Citibank will not vary the price or other terms of any Citibank product or service based on a condition that you purchase any other product or service from Citibank or any Citibank affiliate, unless Citibank is authorized to do so under an exception to the Anti-tying Rules.

- Citibank will not require you to provide property or services to Citibank or any affiliate of Citibank as a condition to the extension of a commercial loan to you by Citibank, unless such a requirement is reasonably required to protect the safety and soundness of the loan.

- Citibank will not require you to refrain from doing business with a competitor of Citibank or any of its affiliates as a condition to receiving a commercial loan from Citibank, unless the requirement is reasonably designed to ensure the soundness of the loan.

EXHIBIT A

JARDEN CORPORATION
$1,050,000,000 SENIOR SECURED CREDIT FACILITIES

TRANSACTION DESCRIPTION

All capitalized terms used herein but not defined herein shall have the meanings provided in the Commitment Letter relating to this Transaction Description. The following transactions are referred to herein collectively as the "TRANSACTIONS."

1. The Company will acquire (the "ACQUISITION"), directly or indirectly (whether through a newly formed, wholly-owned subsidiary or such other structure reasonably satisfactory to the Arrangers), at least 90% of the capital stock of American Household, Inc. ("AMERICAN HOUSEHOLD" and, together with its subsidiaries, the "ACQUIRED BUSINESS") pursuant to a securities purchase agreement in form and substance satisfactory to the Arrangers (the "ACQUISITION AGREEMENT"). If the Company acquires greater than 90%, but less than 100%, of the capital stock of American Household, the Company subsequently will acquire a 100% ownership interest in American Household by means of a secondary "short-form" merger transaction.

2. The Company will obtain new senior secured credit facilities in an aggregate principal amount equal to $1,050,000,000 (the "SENIOR SECURED FACILITIES"), which shall consist of a senior secured term loan facility in an aggregate principal amount equal to $850,000,000 (the "TERM FACILITY") and a senior secured revolving credit facility in an aggregate principal amount equal to $200,000,000 (the "REVOLVING FACILITY").

3. The Company will receive gross cash equity contributions in an aggregate amount of approximately $350,000,000 (or such other amount acceptable to the Arrangers) from Warburg Pincus Private Equity VIII, L.P. (the "SPONSOR" and such equity financing, the "SPONSOR EQUITY FINANCING") on terms and conditions and pursuant to documentation reasonably acceptable to the Arrangers.

4. The Company will repay or refinance (i) the indebtedness of the Company under its Second Amended and Restated Credit Agreement, dated as of June 11, 2004 (as amended, restated, supplemented or otherwise modified from time to time, the "EXISTING CREDIT AGREEMENT"), among the Company, as borrower, the financial institutions party thereto as lenders, CIBC, as administrative agent, and CUSA, as syndication agent, (ii) certain other existing indebtedness of the Company (other than the indebtedness of the Company arising under each outstanding series of its 9-3/4%

Senior Subordinated Notes due 2012) and (iii) certain existing indebtedness of the Acquired Business, in an aggregate principal amount not to exceed approximately $480,000,000 (or such other amount to be agreed upon) (collectively, the "EXISTING INDEBTEDNESS").

5. The Company will assume certain existing indebtedness of the Acquired Business in an aggregate principal amount not to exceed approximately $15,000,000 in the aggregate (or such other amount to be agreed upon) (the "ASSUMED INDEBTEDNESS").

6. Costs, fees and expenses of the Company (excluding severance or other termination costs and expenses relating to employees of the Acquired Business whose employment is terminated in connection with the Acquisition) incurred in connection with the foregoing transactions will be paid in an amount not to exceed $35,000,000 (or such other amount to be agreed upon) (the "TRANSACTION COSTS").

EXHIBIT A

7. The estimated sources and uses of the funds necessary to consummate the Transactions are set forth on Schedule I hereto (the "SOURCES AND USES OF FUNDS").

SCHEDULE I
TO EXHIBIT A

SOURCES AND USES OF FUNDS

SOURCES OF FUNDS	($MM)	USES OF FUNDS	($MM)
Revolving Loans	0.0	Purchase of Equity of Acquired Business	745.6
Term Loan	850.0	Refinance Existing Indebtedness of Company	303.0
Sponsor Equity Financing	350.0	Repay Existing Indebtedness of Acquired Business	144.0
Restricted Share Grant	4.0		
Assumption of Assumed Indebtedness of Acquired Business	12.0	Assumption of Assumed Indebtedness of Acquired Business	12.0
		Transaction Costs	30.0
Holdback Reserve	40.0		
Excess Cash/Cost of Synergies			21.4
TOTAL SOURCES	1256.0	TOTAL USES	1256.0

EXHIBIT B

JARDEN CORPORATION
$1,050,000,000 SENIOR SECURED CREDIT FACILITIES
SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

This Summary of Principal Terms and Conditions outlines certain terms of the Senior Secured Facilities referred to in the Commitment Letter, dated September 19, 2004, addressed to Jarden Corporation from Citicorp USA, Inc., Citigroup Global Markets Inc., Canadian Imperial Bank of Commerce and CIBC World Markets Corp. (the "COMMITMENT LETTER"). All capitalized terms used herein but not defined herein shall have the meanings provided in the Commitment Letter or the Transaction Description relating to this Summary of Principal Terms and Conditions.

BORROWER:	Jarden Corporation, a Delaware corporation (the "BORROWER").
TRANSACTIONS:	As described in the Transaction Description.
ADMINISTRATIVE AGENT:	Canadian Imperial Bank of Commerce (in its capacity as administrative agent, the "ADMINISTRATIVE AGENT").
SYNDICATION AGENT:	Citicorp USA, Inc. (in its individual capacity, "CUSA" and, in its capacity as syndication agent, the "SYNDICATION AGENT"; and together with the Administrative Agent, the "AGENTS").
DOCUMENTATION AGENT:	Bank of America, N.A. (in its individual capacity, "BOFA" and, in its capacity as documentation agent, the "DOCUMENTATION AGENT").
JOINT LEAD ARRANGERS AND JOINT BOOKRUNNERS:	Citigroup Global Markets Inc. ("CGMI") and CIBC World Markets Corp. ("CIBC WMC" and together with CGMI, in their capacity as joint lead arrangers and joint book-running managers, the "ARRANGERS").
LENDERS:	CUSA or one of its affiliates ("CITIGROUP"), Canadian Imperial Bank of Commerce or one of its affiliates ("CIBC") and other financial institutions or entities acceptable to the Arrangers (the "Lenders").
LETTER OF CREDIT ISSUERS:	Citigroup, CIBC, BofA and other Lenders (or affiliates of Lenders) acceptable to the Arrangers and the Borrower (the "ISSUERS").
SENIOR SECURED FACILITIES:	Up to $1,050,000,000 in the aggregate of loans (the "LOANS") and other financial accommodations allocated as follows: TERM FACILITY: A Senior Secured Term Loan Facility in an aggregate principal amount of $850,000,000 (the "TERM FACILITY").

REVOLVING FACILITY: A Senior Secured Revolving Credit Facility in an aggregate principal amount of $200,000,000 (the "REVOLVING FACILITY"; together with the Term Facility, the "SENIOR SECURED FACILITIES").

- LETTERS OF CREDIT. Up to $150,000,000 of the Revolving Facility will be available for the issuance of letters of credit by the Issuers for the account of the Borrower ("LETTERS OF CREDIT"). No Letter of Credit will have a termination date after the 5th day preceding the Revolving Facility Termination Date (as defined below), and none shall have a term of more than one year.

- SWING LOANS. Up to $35,000,000 of the Revolving Facility will be available to the Borrower for discretionary swing loans from the Administrative Agent.

PURPOSE AND AVAILABILITY:	(A) The full amount of the Term Facility must be drawn in a single drawing on the date on which the Transactions are consummated (the "CLOSING DATE") and applied to consummate such Transactions in accordance with the Sources and Uses of Funds. Amounts borrowed under the Term Facility that are repaid or prepaid may not be reborrowed. (B) The proceeds of loans under the Revolving Facility will be used by the Borrower for working capital and other general corporate purposes (including, without limitation, the making of acquisitions permitted under the Operative Documents). Loans under the Revolving Facility will be available on and after the Closing Date and at any time before the Revolving Facility Termination Date, in minimum principal amounts to be agreed. Amounts repaid under the Revolving Facility may be reborrowed.
FINAL MATURITY AND AMORTIZATION:	(A) TERM FACILITY: The Term Facility will mature on the date that is 7 years after the Closing Date and will amortize in quarterly installments over such period as follows: Year 1 1% Year 2 1% Year 3 1% Year 4 1% Year 5 1%

Year 6	1%
Year 7	94%

; provided, however, that in the event requisite shareholder approval is not obtained with respect to the conversion of the Series C preferred stock of the Borrower to be issued in connection with the Transactions, then the Term Facility will mature on the date that is six and one-half years after the Closing Date with the final quarterly installment due at the end of such period. (B) REVOLVING FACILITY:

The Revolving Facility will mature, and the revolving credit commitments relating thereto will terminate, on the date that is 5 years after the Closing Date (the "REVOLVING FACILITY TERMINATION DATE").

GUARANTEE: All obligations of the Borrower under the Senior Secured Facilities, any exposure of a Lender in respect of cash management transactions (if any) incurred on behalf of the Borrower or any of its subsidiaries, or under any interest protection or other hedging arrangements (if any) entered into with a Lender (or any affiliate thereof) (collectively, the "OBLIGATIONS") will be unconditionally guaranteed (the "GUARANTEES") by each existing and subsequently acquired or organized material domestic subsidiary (as determined by the Arrangers) of the Borrower and each material foreign subsidiary of the Borrower, if any, that guarantees any other indebtedness of the Borrower (the "GUARANTORS").

COLLATERAL: The Obligations of the Borrower and each Guarantor in respect thereof will be secured by substantially all of the assets and properties of the Borrower and each Guarantor, including, but not limited to, (i) a first priority perfected pledge of (x) all notes owned by the Borrower and the Guarantors and (y) all capital stock owned by the Borrower and the Guarantors (but (I) not more than 65% of the voting capital stock of their respective directly owned foreign subsidiaries and (II) none of the capital stock of their respective indirectly owned foreign subsidiaries unless such capital stock is owned directly by another domestic Guarantor) and (ii) a first priority perfected security interest in all other assets owned by the Borrower and the Guarantors, including, without limitation, accounts, inventory, equipment, goods, investment property, instruments, chattel paper, deposit accounts, commercial tort claims, real estate, leasehold interests, contracts, patents, copyrights, trademarks and other general intangibles, subject to customary exceptions for transactions of this type to be agreed upon (the "COLLATERAL").

All the above-described pledges, security interests and

mortgages shall be created on terms, and pursuant to documentation, reasonably satisfactory to the Arrangers, and on the Closing Date, subject to customary grace periods, such security interests shall have been perfected and the Arrangers shall have received reasonably satisfactory evidence as to the perfection and priority thereof. Each of the Borrower and its subsidiaries, as applicable, shall use its reasonable best efforts to comply with the foregoing.

Notwithstanding anything to the contrary in the foregoing, the Arrangers may agree to exclude particular assets from the Collateral where they determine that the costs of perfecting a security interest, lien or mortgage in such assets are excessive in relation to the benefit afforded thereby.

Notwithstanding anything to the contrary in the foregoing, the Arrangers agree to limit the amounts and types of information regarding the Collateral required to be set forth on the disclosure schedules to the Operative Documents, whether by use of materiality thresholds, dollar thresholds or any other parameters acceptable to the Arrangers; provided, however, that the Borrower will be required to specify on such disclosure schedules (and any required updates thereto) all information that is necessary or reasonably advisable to perfect (or maintain the perfection of) the Administrative Agent's lien on, and security interest, in the Collateral.

None of the Collateral shall be subject to any other pledges, security interests, mortgages or other liens, subject to certain limited exceptions to be agreed upon.

Notwithstanding anything to the contrary in the foregoing, any security interest in the assets or properties of the Borrower or any of its subsidiaries constituting Gaming Authorizations (as defined

below) that the Borrower or such subsidiaries are required to hold in connection with their respective businesses is subject to the Gaming Laws (as defined below) applicable to such Gaming Authorizations. All rights, remedies and powers granted to the Administrative Agent or the Lenders pursuant to the Operative Documents with respect to such Gaming Authorizations may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of the Gaming Laws applicable to the Borrower and such subsidiaries with respect to the Gaming Authorizations that the Borrower and such subsidiaries are required to hold in connection with their respective businesses, and then only to the extent that the required approvals (including prior approvals) are obtained from the requisite Gaming Authorities (as defined below).

"GAMING AUTHORITY" means any governmental authority that holds regulatory, licensing or permit authority with respect to gaming matters within its jurisdiction.

"GAMING AUTHORIZATIONS" means any and all permits, licenses, findings of suitability, authorizations, approvals, plans, directives, consent orders or consent decrees of or from any federal, state or local court, or any governmental authority (including any Gaming Authority) required by any Gaming Authority or under any Gaming Law.

"GAMING LAWS" means all statutes, rules, regulations, ordinances, codes, administrative or judicial orders or decrees or other laws pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming activities conducted by the Borrower or any of its subsidiaries within its jurisdiction.

INTEREST RATES AND FEES: As set forth in Annex I hereto and in the Fee Letter.

OPTIONAL PREPAYMENTS AND REDUCTIONS IN COMMITMENTS: Optional prepayments of borrowings under the Senior Secured Facilities, and optional reductions of the unutilized portion of the Revolving Facility commitments, will be permitted at any time, in minimum principal amounts to be agreed, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of LIBOR borrowings other than on the last day of the relevant interest period.

All optional prepayments applicable to the Term Facility shall be applied pro rata among the Lenders thereunder and to the remaining amortization payments under the Term Facility on a pro rata basis.

MANDATORY PREPAYMENTS: Loans under the Senior Secured Facilities shall be prepaid in an amount equal to:

(a) 50% of annual excess cash flow (to be defined in the Operative Documents but in any event shall exclude cash earn out payments in connection with permitted acquisitions and acquisitions that have already occurred, cash pension contributions, cash environmental costs and expenses, cash litigation settlements, cash restructuring expenses and the change in consolidated working capital) for each fiscal year; provided, however, that (i) if the Total Leverage Ratio (to be defined) is less than 3.0:1 during the Borrower's fiscal year ended December 31, 2005, such prepayment shall not be

required for such fiscal year and (ii) if the Total Leverage Ratio in succeeding fiscal years is less than ratios to be determined for each fiscal year, then such percentage shall be reduced to a percentage to be agreed upon;

(b) 100% of the net cash proceeds of all non-ordinary-course asset sales or other dispositions of property by the Borrower or any other subsidiaries of the Borrower (including insurance and condemnation proceeds), subject to certain reinvestment rights to be agreed; provided, that the Borrower shall not be required to prepay the Loans with the net cash proceeds received from the sale or other disposition of the real and personal property of the Acquired Business located at Hattiesburg, Mississippi or Matamoros, Mexico unless and to the extent that such net cash proceeds exceed $10,000,000 in the aggregate;

(c) 100% of the net proceeds of issuances of debt obligations of the Borrower or any subsidiaries of the Borrower; and

(d) 50% of the net proceeds of issuances of equity of the Borrower (other than issuances of equity (i) pursuant to the Sponsor Equity Financing or (ii) to the Sponsor to the extent the proceeds of such

issuance are used to finance acquisitions permitted under the Operative Documents), or any subsidiaries of the Borrower;

in each case, subject to limited and customary exceptions to be agreed and, in the case of the prepayments required by the foregoing clauses (b), (c) and (d), within 10 business days of receipt by the Borrower or any of its subsidiaries of the applicable net proceeds giving rise to such prepayment requirement.

All mandatory prepayments shall be applied to the aggregate principal amounts outstanding under the Term Facility on a pro rata basis to the remaining amortization payments under the Term Facility and, in the case of mandatory prepayments under clause (b) above, after the repayment in full of the Term Facility, all prepayments thereunder will be applied to repay loans under the Revolving Facility (with corresponding permanent reductions of the outstanding commitments thereunder).

The Borrower shall prepay the loans outstanding under the Revolving Facility (and cash collateralize outstanding Letters of Credit) to the extent that such loans and Letters of Credit exceed the aggregate commitments under the Revolving Facility.

REPRESENTATIONS AND WARRANTIES:

Substantially similar to the representations and warranties specified in the Borrower's Existing Credit Agreement (with such changes and updated schedules as may be mutually agreed between the Borrower and the Arrangers) and otherwise usual and customary for facilities and transactions of this type (with customary exceptions and materiality thresholds to be agreed), including, without limitation:

1. Corporate status and authority.

2. Execution, delivery and performance of Operative Documents do not violate law or other agreements.

3. No government or regulatory approvals required, other than approvals in effect; Gaming Authorizations.

4. Due authorization, execution and delivery of Operative Documents; legality, validity, binding effect and enforceability of the Operative Documents.

5. Ownership of subsidiaries.

6. Accuracy of financial statements and other information.

7. No event or occurrence which has resulted in or could reasonably be expected to result in a material adverse change in (i) the business, assets, operations, properties, condition (financial or otherwise), liabilities (contingent or otherwise) or prospects of the Borrower and its subsidiaries, taken as a whole, since December 31, 2003 (ii) the ability of the Borrower or the Guarantors to perform their respective obligations under the Operative Documents or (iii) the ability of the Administrative Agent and the Lenders to enforce the Operative Documents (any of the foregoing being a "MATERIAL ADVERSE CHANGE").

8. Solvency.

9. No action, suit, investigation, litigation or proceeding pending or, to the knowledge of the Borrower, threatened in any court or before any arbitrator or governmental authority that could reasonably be expected to result in a Material Adverse Change.

10. Payment of taxes.

11. Full disclosure.

12. Compliance with margin regulations.

13. No burdensome restrictions and no default under material agreements or the Operative Documents.

14. Inapplicability of the Investment Company Act and Public Utility Holding Company Act.

15. Use of proceeds.

16. Insurance.

17. Labor matters.

18. Compliance in all material respects with laws and regulations, including ERISA, and all applicable environmental laws and regulations.

19. Ownership of properties and necessary rights to intellectual property.

20. Validity, priority and perfection of security interests in collateral.

CONDITIONS PRECEDENT TO INITIAL BORROWING: Usual and customary for facilities and transactions of this type, including those specified in the Summary of Additional Conditions Precedent attached as Exhibit C to the Commitment Letter.

CONDITIONS PRECEDENT TO EACH EXTENSION OF CREDIT: On the date of each extension of credit (i) there shall exist no default under the Operative Documents, (ii) the representations and warranties of the Borrower and each of its subsidiaries party to any of the Operative Documents under such Operative Documents shall be (x) in the case of the initial extension of credit on the Closing Date, true and correct and (y) in the case of each extension of credit made after the Closing Date, true and correct in all material respects, in each case immediately prior to, and after giving effect to, the funding thereof, and (iii) the making of such extension of credit shall not violate any applicable requirement of law and shall not be enjoined, temporarily, preliminarily or permanently.

REPORTING COVENANTS: Substantially similar to the reporting covenants specified in the Borrower's Existing Credit Agreement (with such changes and updates as may be mutually agreed between the Company and the Arrangers) and otherwise usual and customary for facilities and transactions of this type (to be applicable to the

Borrower and each of its subsidiaries), including, without limitation:

1. Delivery of audited annual consolidated and unaudited consolidating financial statements and unaudited quarterly consolidated and consolidating financial statements.

2. Other reporting requirements and notices of default and litigation, subject to customary exceptions and materiality thresholds to be agreed.

AFFIRMATIVE COVENANTS: Substantially similar to the affirmative covenants specified in the Borrower's Existing Credit Agreement (with such changes and updated schedules as may be mutually agreed between the Company and the Arrangers) and otherwise usual and customary for facilities and transactions of this type (to be applicable to the Borrower and each of its subsidiaries), including, without limitation, subject, in each case, to customary exceptions and materiality thresholds to be agreed:

1. Preservation of corporate existence.

2. Compliance in all material respects with laws (including ERISA and applicable environmental laws) and contractual obligations; maintenance of gaming licenses.

3. Conduct of business; maintenance of principal lines of business.

4. Payment of taxes.

5. Payment and performance of obligations.

6. Maintenance of insurance.

7. Access to books and records and visitation and access rights.

8. Maintenance of books and records.

9. Maintenance of properties.

10. Use of proceeds.

11. Environmental matters.

12. Provision of additional collateral, guarantees and mortgages; landlord waivers for material leased property; bailee letters for material Collateral located

at third party locations.

13. Further assurances.

NEGATIVE COVENANTS: Substantially similar to the negative covenants specified in the Borrower's Existing Credit Agreement (with such changes and updated schedules as may be mutually agreed between the Company and the Arrangers) and otherwise usual and customary for facilities and transactions of this type (to be applicable to the Borrower and each of its subsidiaries), including, without limitation, subject in each case to customary and certain other exceptions and materiality thresholds to be agreed:

1. Limitations on debt and guarantees, including obligations in respect of foreign currency exchange and other hedging arrangements, but other than (i) debt arising under each outstanding series of the Borrower's 9-3/4% Senior Subordinated Notes due 2012 and (ii) debt arising under interest rate hedging agreements entered into by the Company with respect to the indebtedness under its existing indentures. For the avoidance of doubt, the Coleman IRB shall not be deemed indebtedness.

2. Limitations on liens.

3. Limitations on loans and investments.

4. Limitations on asset dispositions, including, without limitation, the issuance and sale of capital stock of subsidiaries.

5. Limitations on dividends, redemptions and repurchases with respect to capital stock and other standard restricted junior payments; provided, that so long as at the time of determination, both before and immediately after giving effect to the applicable repurchase (i) no event of default shall have occurred and be continuing, (ii) the Borrower shall have at least an amount to be agreed of excess availability under the Revolving Facility and (iii) the Total Leverage Ratio (to be defined) is less than a ratio to be determined, the Borrower will be permitted to repurchase its common stock in an aggregate amount to be agreed upon.

6. Limitations on cancellation of debt and on prepayments, redemptions and repurchases of debt

(other than loans under the Senior Secured Facilities).

7. Limitations on mergers, consolidations, acquisitions, joint ventures and creation of subsidiaries; provided, however, that so long as at the time of determination, both before and immediately after giving effect to the applicable acquisition, (i) no event of default shall have occurred and be continuing and (ii) the Borrower shall be in compliance (on a pro forma basis) with the financial covenants in the Operative Documents (provided, that the Borrower will not be required to provide pro forma historical financial information and other calculations supporting its determination of compliance with such financial covenants to the extent that the Cost of Acquisition (to be defined in the Operative Documents) of the applicable acquisition is less than $35,000,000), the Borrower and each of the Guarantors shall be permitted to consummate one or more acquisitions (without the consent of the Administrative Agent and the Lenders) to the extent that the aggregate consideration paid or payable by the Borrower and the Guarantors in respect of all such acquisitions does not exceed (x) $150,000,000 in any fiscal year or (y) $300,000,000 during any consecutive three fiscal year period, subject to certain limitations to be agreed.

8. Limitations on changes in business.

9. Limitations on transactions with affiliates.

10. Limitations on restrictions on distributions from subsidiaries and granting of negative pledges.

11. Limitations on amendment of constituent documents, debt agreements and other material agreements, except for modifications that could not reasonably be expected to materially adversely affect the interests of the Lenders.

12. Limitation on changes in accounting treatment or reporting practices and the fiscal year.

13. Limitations on use of proceeds in contravention of margin regulations.

14. Limitation on sale/leasebacks and operating leases.

15. Limitation on speculative transactions except for the sole purpose of hedging in the normal course of business and consistent with industry practices.

16. Limitations relating to ERISA events.

17. Limitations on assets held by foreign subsidiaries.

18. Limitations on cash payments of earn-outs.

19. Limitations on immaterial subsidiaries.

20. Prohibition on Borrower (i) operating any of its lines of business other than through its subsidiaries, (ii) owning assets other than the equity interests in its subsidiaries, cash and cash equivalents and such other property consistent with its sole function as a holding company (including the holding of intangible property) and (iii) engaging in any other activities other than activities reasonably incidental to the foregoing.

SELECTED FINANCIAL COVENANTS: A maximum total leverage ratio, a maximum senior leverage ratio and a minimum fixed charge coverage ratio, in each case tested on a quarterly basis and with definitions and levels to be agreed.

A maximum capital expenditure level, tested on an annual basis and with definitions and levels to be agreed.

INTEREST RATE MANAGEMENT: The Borrower will be required to enter into interest rate hedging arrangements, on terms and with counterparties satisfactory to the Arrangers, covering a notional amount sufficient to ensure that an amount to be agreed of the Borrower's total debt (other than its indebtedness under the Revolving Facility) is effectively paid on a fixed rate basis for a period after the Closing Date acceptable to the Arrangers to be determined.

GAMING REGULATIONS: The Transactions contemplated by the Operative Documents are subject to Gaming Laws applicable to the Borrower and its subsidiaries with respect to Gaming Authorizations that the Borrower and its subsidiaries are required to hold in connection with their respective businesses. Without limiting the foregoing, the Administrative Agent and each of the Lenders will be subject to being called forward by the Gaming Authorities, in their discretion, for licensing or a finding of suitability or to file or provide other information to such Gaming Authorities. Each of the Administrative Agent and the Lenders will be required to cooperate with the Gaming

Authorities in connection with the provision of such documents and other information as may be requested by such Gaming Authorities relating to the Borrower and its subsidiaries or to the Operative Documents.

EVENTS OF DEFAULT: Substantially similar to the events of default specified in the Borrower's Existing Credit Agreement and otherwise usual for facilities and transactions of this type, including, without limitation (subject to customary grace periods to be agreed):

1. Failure to pay principal, interest or any other amount when due.

2. Representations or warranties incorrect in any material respect when given.

3. Failure to comply with covenants (with grace periods as applicable).

4. Cross-default to debt (with materiality levels to be agreed).

5. Failure to satisfy or stay execution of judgments (with materiality levels to be agreed).

6. Bankruptcy or insolvency.

7. The existence of certain materially adverse employee benefit or environmental events or liabilities.

8. Change of ownership or control.

9. Actual or asserted invalidity or impairment of any Operative Document.

VOTING:	Amendments and waivers of the Operative Documents will require the approval of Lenders holding more than 50% of the aggregate amount of the loans and commitments under the Senior Secured Facilities, except that the consent of each affected Lender shall be required with respect to, among other things, (i) increases in commitments of or imposition of additional obligations on the Lenders, (ii) reductions of principal, interest or fees, (iii) extensions of scheduled amortization or final maturity, and (iv) releases of all or any substantial part of the collateral or all or any substantial part of the Guarantors from their obligations under the Guarantees (other than such releases required in connection with any sale or other disposition expressly permitted pursuant to the terms of the Operative Documents).

ASSIGNMENT AND PARTICIPATION:	The Lenders will have the right to assign loans and commitments to their affiliates and to other Lenders or to any Federal Reserve Bank without restriction and to other financial institutions, with the consent, not to be unreasonably withheld, of the Administrative Agent and, after completion of the syndication of the Senior Secured Facilities (as determined by Arrangers) and so long as no event of default has occurred and is continuing, the Borrower. Minimum aggregate assignment level of (i) $5,000,000 and $1,000,000 increments in excess thereof in the case of the Revolving Facility and (ii) $1,000,000 or a multiple thereof in the case of the Term Facility. The parties to the assignment (other than the Borrower and/or Citigroup) shall pay to the Administrative Agent an administrative fee of $3,500. Each Lender will have the right to sell participations in its rights and obligations under the loan documents, subject to customary restrictions on the participants' voting rights.
YIELD PROTECTION, TAXES AND OTHER DEDUCTIONS:	The Operative Documents will contain yield protection provisions, customary for facilities of this nature, protecting the Lenders in the event of unavailability of funding, funding losses, reserve and capital adequacy requirements. All payments to be free and clear of any present or future taxes, withholdings or other deductions whatsoever (other than income and franchise taxes in the jurisdiction of the Lender's applicable lending office or in which such Lender is incorporated ("COVERED TAXES")). The Lenders will use commercially reasonable efforts to minimize to the extent possible any applicable taxes and the Borrower will indemnify the Lenders and the Administrative Agent for such taxes paid by the Lenders or the Administrative Agent. Notwithstanding anything to the contrary in the foregoing, to the extent the Borrower would be required to indemnify any Lender for any Covered Taxes or other payments pursuant to the yield protection provisions referred to above (such Lender, an "AFFECTED LENDER"), the Borrower will have the right, on terms and conditions to be agreed, to substitute another Lender acceptable to the Administrative Agent in the place of such Affected Lender.
INDEMNIFICATION:	Customary indemnification provisions by the Borrower in favor of the Administrative Agent, the Syndication Agent, the Documentation Agent, the Arrangers, each Lender, their respective affiliates and each of their respective officers, directors, employees, agents, advisors, attorneys and representatives.

EXPENSES:	The Borrower and each Guarantor shall jointly and severally pay or reimburse the Administrative Agent and the Arrangers for all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and the Arrangers (including reasonable external attorneys' fees and expenses) in connection with (i) the preparation, negotiation and execution of the Operative Documents; (ii) the syndication and funding of the Loans under the Senior Secured Facilities; (iii) the creation, perfection or protection of the liens under the Operative Documents (including all search, filing and recording fees); and (iv) the on-going administration of the Operative Documents (including the preparation, negotiation and execution of any amendments, consents, waivers, assignments, restatements or supplements thereto). The Borrower and each Guarantor further agree to jointly and severally pay or reimburse the Administrative Agent and each of the Lenders and Issuers for all costs and out-of-pocket expenses, including reasonable external attorneys' fees and expenses, incurred by the Administrative Agent or such Lenders and Issuers in connection with (i) the enforcement of the Operative Documents; (ii) any refinancing or restructuring of the Senior Secured Facilities in the nature of a "work-out" or any insolvency or bankruptcy proceeding;

(iii) any legal proceeding relating to the obligations of the Borrower or the Guarantors under the Operative Documents or to the Borrower or any Guarantor or any of the Borrower's other subsidiaries related to or arising out of the Senior Secured Facilities or the other transactions contemplated by the Operative Documents or (iv) taking any other action in or with respect to any suit or proceeding (bankruptcy or otherwise) described in the foregoing clauses (i), (ii) or (iii).

GOVERNING LAW AND FORUM: New York.

COUNSEL TO THE ADMINISTRATIVE AGENT AND THE ARRANGERS: Weil, Gotshal & Manges LLP.

ANNEX I
TO EXHIBIT B

JARDEN CORPORATION
$1,050,000,000 SENIOR SECURED CREDIT FACILITIES
INTEREST RATES AND FEES

INTEREST RATES: Loans under the Senior Secured Facilities will bear interest, at the option of the Borrower, at one of the following rates:

(i) the Applicable Margin (as defined below) plus the Base Rate (as defined below), payable quarterly in arrears; or

(ii) the Applicable Margin plus the current LIBO rate as quoted by Citigroup, adjusted for reserve requirements, if any, and subject to customary change of circumstance provisions for interest periods of one, two, three or six months (or, if available to all Lenders, nine or twelve months) (the "LIBO RATE"), payable at the end of the relevant interest period, but in any event at least quarterly.

"APPLICABLE MARGIN" means:

(a) in the case of Revolving Loans:

(i) prior to the Trigger Date (as defined below): 1.50% per annum, in the case of Base Rate Loans, and 2.50% per annum, in the case of LIBO Rate Loans; and

(ii) thereafter, such higher or lower rates per annum determined by reference to a leveraged-based pricing grid to be determined (the "PRICING GRID"); and

(b) in the case of the Term Loans, 1.50% per annum, in the case of Base Rate Loans, and 2.50% per annum, in the case of LIBO Rate Loans.

"TRIGGER DATE" means the date that is six months after the Closing Date.

"BASE RATE" means the higher of (i) CIBC's base rate and (ii) the Federal Funds Effective Rate plus 1/2 of 1%.

Interest shall be calculated on the basis of the actual number of days elapsed in a 360-day year (or 365 or 366 days, as the case may be, in the case of Base Rate Loans, except where the Base Rate is determined pursuant to

clause (ii) of the definition thereof).

DEFAULT INTEREST: During the continuance of an event of default (as defined in the Operative Documents), Loans under the Senior Secured Facilities will bear interest at an additional 2% per annum.

UNUSED COMMITMENT FEE: From and after the Closing Date, a non-refundable unused commitment fee equal to (i) prior to the Trigger Date, 0.50% per annum and (ii) thereafter, 0.50% per annum or such lower rate per annum determined by reference to the Pricing Grid of the daily average unused portion of the Revolving Facility (whether or not then available) will accrue, payable quarterly in arrears and on the Revolving Facility Termination Date.

LETTER OF CREDIT FEES: A percentage per annum equal to the Applicable Margin for LIBO Rate Loans under the Revolving Facility to the Lenders and 0.125% per annum to the applicable Issuer will accrue on the outstanding undrawn amount of any Letter of Credit, payable quarterly in arrears and computed on a 360-day basis. In addition, the

Borrower will pay to the applicable Issuer standard opening, amendment, presentation, wire and other administration charges applicable to each Letter of Credit.

During the continuance of an event of default (as defined in the Operative Documents), the Letter of Credit Fees will increase by an additional 2% per annum.

EXHIBIT C

JARDEN CORPORATION
$1,050,000,000 SENIOR SECURED CREDIT FACILITIES
SUMMARY OF ADDITIONAL CONDITIONS PRECEDENT

All capitalized terms used but not defined herein shall have the meanings provided in the Commitment Letter. The initial borrowing under the Senior Secured Facilities shall be subject to the following additional conditions precedent:

1. CONSUMMATION OF TRANSACTIONS. The Transactions shall have been consummated or shall be consummated simultaneously with or immediately following the closings under the Senior Secured Facilities in accordance with this Commitment Letter, the Operative Documents, the Acquisition Agreement and all other related documentation (without any waiver, amendment or modification of any material provision thereof (other than non-material waivers, amendments or modifications that do not materially adversely affect the interests of the Arrangers, the Administrative Agent or the Lenders), except with the prior written consent of the Arrangers (not to be unreasonably withheld), and (a) the Arrangers shall be satisfied with (i) any material changes to the Acquisition Agreement and the schedules thereto from the corresponding drafts thereof dated September 19, 2004 provided to the Arrangers, (ii) any material change to the structure of the Acquisition or any of the other Transactions from that described in the Transaction Description and (iii) all other material agreements entered into by the Company in connection with the Transactions; (b) the capital structure of the Company and its subsidiaries before and after giving effect to the Transactions shall be consistent with the provisions of this Commitment Letter and otherwise satisfactory to the Arrangers; and (c) the Company shall have received (i) not less than $350,000,000 in aggregate gross cash proceeds from the issuance of equity securities pursuant to the Sponsor Equity Financing. The terms and conditions of the Sponsor Equity Financing shall be satisfactory to the Arrangers and the Lenders in all respects.

2. EXISTING INDEBTEDNESS; ASSUMED INDEBTEDNESS. The Arrangers shall have received satisfactory evidence that all loans outstanding under, and all other amounts due in respect of, the Existing Indebtedness shall have been repaid in full (or satisfactory arrangements made for such repayment) and the commitments thereunder shall have been permanently terminated. The Company shall have assumed or otherwise become liable for the Assumed Indebtedness on terms and conditions and pursuant to documentation reasonably satisfactory to the Arrangers. After giving effect to the Transactions, none of the Company or any of its subsidiaries shall have outstanding any indebtedness other than (a) the loans and other extensions of credit under the Senior Secured Facilities, (b) the Assumed Indebtedness and (c) other limited indebtedness permitted under the Operative Documents to be agreed. Notwithstanding the foregoing, the indebtedness arising under each outstanding series of the Company's 9-3/4% Senior Subordinated Notes due 2012 shall remain outstanding on and after the Closing Date.

3. SOURCES AND USES OF FUNDS. The sources and uses of funds relating to the Transactions shall each be consistent with the Sources and Uses of Funds and any material changes to the Sources and Uses of Funds shall be reasonably acceptable to each of the Arrangers.

4. FINANCIAL STATEMENTS OF THE COMPANY. Not later than 45 days before the Closing Date, the Lenders shall have received (a) to the extent publicly unavailable prior to the date hereof, audited consolidated and unaudited consolidating (other than with respect to statements of stockholders' equity) balance sheets and related statements of income, stockholders' equity and cash flows of the Company and its subsidiaries for the five fiscal years ended on or before December 31, 2003, in each case, prepared in accordance with, or reconciled to, generally accepted accounting principles in the United States and

prepared in accordance with Regulation S-X under the Securities Act, (b) to the

extent completed and available, unaudited consolidated and consolidating (other than with respect to statements of stockholders' equity) balance sheets and related statements of income, stockholders' equity and cash flows of the Company and its subsidiaries for the fiscal year ended December 31, 2004 and (c) to the extent completed and available, unaudited consolidated and consolidating (other than with respect to statements of stockholders' equity) balance sheets and related statements of income, stockholders' equity and cash flows of the Company and its subsidiaries for each completed fiscal quarter since the date of the most recent audited financial statements (and, to the extent available, for each completed month since the last such fiscal quarter), which audited and unaudited financial statements (i) shall be in form and scope satisfactory to the Lenders and (ii) shall not be materially inconsistent with the financial statements previously provided to the Lenders.

5. FINANCIAL STATEMENTS OF THE ACQUIRED BUSINESS. Not later than 45 days before the Closing Date, the Lenders shall have received (a) to the extent publicly unavailable prior to the date hereof, audited consolidated and unaudited consolidating (other than with respect to statements of stockholders' equity) balance sheets and related statements of income, stockholders' equity and cash flows of the Acquired Business for the three fiscal years ended on or before December 31, 2003, in each case, prepared in accordance with, or reconciled to, generally accepted accounting principles in the United States and prepared in accordance with Regulation S-X under the Securities Act (subject, in the case of each of the three fiscal years ended prior to the Closing Date, to certain exceptions reasonably acceptable to the Arrangers) and (b) to the extent completed and available, unaudited consolidated and consolidating (other than with respect to statements of stockholders' equity) balance sheets and related statements of income, stockholders' equity and cash flows of the Acquired Business for each completed fiscal quarter since the date of such audited financial statements (and, to the extent available, for each completed month since the last such quarter), which audited and unaudited financial statements (i) shall be in form and scope satisfactory to the Lenders and (ii) shall not be materially inconsistent with the financial statements previously provided to the Lenders.

6. PRO FORMA FINANCIAL STATEMENTS; PROJECTIONS. The Lenders shall have received a pro forma consolidated balance sheet of the Company as of the Closing Date, after giving effect to the Transactions, together with a certificate of the chief financial officer of the Company to the effect that such statements accurately present the pro forma financial position of the Company and its subsidiaries in accordance with Regulation S-X under the Securities Act (subject to certain exceptions reasonably acceptable to the Arrangers), and the Lenders shall be satisfied that such balance sheets are not materially inconsistent with the forecasts and other information previously provided to the Lenders. The Company shall have delivered its then most recent projections through the seventh fiscal year, prepared on a quarterly basis through the end of December 2005, which shall not be materially inconsistent with the projections and other information provided to the Arrangers prior to the date of the Commitment Letter.

7. MAXIMUM LEVERAGE RATIO. Each Arranger shall have received evidence reasonably satisfactory to it (including an officers' certificate accompanied by satisfactory supporting schedules and other data) that the ratio of pro forma consolidated debt to pro forma consolidated EBITDA (to be defined to include adjustments required or permitted by Item 10 of Regulation S-K of the Securities Act and such other adjustments as shall be acceptable to the Arrangers in their reasonable judgment) of the Company and its subsidiaries calculated in a manner acceptable to the Arrangers in their reasonable judgment and after giving effect to the Transactions for the trailing four quarters ended immediately prior to the Closing Date was not greater than 3.75 to 1.

8. LITIGATION. There shall be no litigation or administrative proceeding or development in any litigation or administrative proceeding that has had or could reasonably be expected to result in a Material Adverse Change or have a material adverse effect on the ability of the parties to consummate the Acquisition, the funding of the Senior Secured Facilities or any of the other Transactions.

9. SOLVENCY. The Lenders shall have received a solvency certificate, in form and substance satisfactory to each Arranger, from the chief financial officer of the Company, together with such other evidence reasonably requested by the Lenders, confirming the solvency of the Company after giving effect to the Transactions.

10. NO CONFLICTS. The consummation of the Transactions shall not (a) violate any applicable law, statute, rule or regulation in any material respect or (b) conflict with, or result in a default or event of default or an acceleration of any rights or benefits under any agreement to which any of the Company, American Household or any of their respective subsidiaries is a party, that is material to the Company, any of the Company's subsidiaries or the Acquired Business, taken as a whole, and the Arrangers shall have received one or more customary legal opinions to such effect, satisfactory to each Arranger, from counsel to the Company satisfactory to each Arranger.

11. CONSENTS. All requisite material governmental authorities and third parties shall have approved or consented to the Transactions to the extent required, all applicable appeal periods shall have expired and there shall be no judicial or regulatory action by a governmental agency, actual or threatened, that could

reasonably be expected to restrain, prevent or impose materially burdensome conditions on the Transactions.

12. CONFIDENTIAL INFORMATION MEMORANDUM. The Arrangers shall have received, not later than the earlier of the date that is (a) 30 days after the Company executes the Acquisition Agreement and (b) 45 days prior to the Closing Date, (i) the complete printed Confidential Information Memorandum relating to the Senior Secured Facilities suitable for use in a customary syndication of bank financing, with all financial statements (both audited and unaudited), information and projections relating to the Company, the Company's subsidiaries and the Acquired Business as deemed necessary or desirable to be included therein by the Arrangers in their reasonable judgment and (ii) confirmation that the Senior Secured Facilities shall have been rated by Standard & Poor's Ratings Services ("S&P") and by Moody's Investors Service, Inc. ("MOODY'S").

13. PERFECTION OF SECURITY INTERESTS. The Lenders shall have a valid and perfected first priority lien on and security interest in the collateral referred to in Exhibit B under "Security"; all filings, recordations and searches necessary or reasonably desirable in connection with such liens and security interests shall have been duly made; and all filings and recording fees and taxes shall have been duly paid. The Arrangers shall have received satisfactory title insurance policies (including such endorsements as the Arrangers may require), current certified surveys, evidence of zoning and other legal compliance, certificates of occupancy, legal opinions and other customary documentation required by the Arrangers with respect to all real property of the Company and its subsidiaries subject to mortgages.

14. MISCELLANEOUS CLOSING CONDITIONS. Other customary closing conditions, including delivery from the Company's counsel (including any local counsel) of customary legal opinions for transactions of this type and otherwise in form and substance satisfactory to the Arrangers; satisfactory lien search results; accuracy of representations and warranties in all material respects; evidence of authority; absence of violation with applicable laws and regulations (including but not limited to ERISA, margin regulations, and environmental laws) which could reasonably be expected to have a Material Adverse Effect; payment

of fees and expenses; and obtaining of satisfactory insurance (including, without limitation, the receipt of endorsements naming the Administrative Agent as lender's loss payee and additional insureds).

[JARDEN CORPORATION LOGO] [AMERICAN HOUSEHOLD, INC. LOGO]
[SUNBEAM PRODUCTS, INC. LOGO] [COLEMAN LOGO]

JARDEN CORPORATION ANNOUNCES DEFINITIVE AGREEMENT

TO ACQUIRE AMERICAN HOUSEHOLD, INC.

-COMBINATION CREATES LEADING GLOBAL PROVIDER OF BRANDED CONSUMER PRODUCTS-

- -WARBURG PINCUS TO INVEST $350 MILLION OF EQUITY IN CONNECTION WITH ACQUISITION-

RYE, NEW YORK - SEPTEMBER 20, 2004 - JARDEN CORPORATION (NYSE: JAH), a leading provider of niche branded consumer products, today announced it has signed a definitive agreement to acquire privately held American Household, Inc. for $745.6 million in cash for the equity and the assumption or repayment of indebtedness. American Household is the parent of The Coleman Company, Inc. and Sunbeam Products, Inc., leading producers of global consumer products through the BRK(R), Campingaz(R), Coleman(R), First Alert(R), Health o meter(R), Mr. Coffee(R), Oster(R) and Sunbeam(R) brands. In connection with the acquisition, Warburg Pincus, the global private equity firm, will invest $350 million of equity into Jarden.

Upon completion of the acquisition, Jarden will be positioned as a global market leader, holding the #1 or #2 market position in many of its core consumer product categories, including warming blankets, smoke alarms, professional grooming products, various small appliances, camping equipment, home vacuum packaging, home canning, kitchen matches, plastic cutlery, toothpicks, rope, cord and twine and playing cards.

Commenting on the transaction, Martin E. Franklin, Jarden's Chairman and Chief Executive Officer, said: "We are delighted to add the renowned products of the American Household portfolio to our growing business, which will allow us to extend our market positions while tapping new strategic sectors. It is expected that this transaction will bring immense benefits to the company, our customers and employees by expanding our

operating platform, both internationally and domestically, and by broadening and diversifying our product lines through superior cross-selling, retail distribution and licensing enhancements."

Mr. Franklin added, "We believe the transaction will be immediately accretive to earnings, excluding any restructuring and one-time charges. The combination will create new sales, marketing as well as operating synergies that we expect to lead to margin improvements in the future. We believe that together, the new Jarden will be poised for accelerated growth, and we are tremendously excited about welcoming the American Household businesses and employees to the Jarden family."

Jerry W. Levin, Chairman and Chief Executive Officer of American Household said, "I am very proud of what all of the American Household employees have accomplished, and I am confident that they will continue to excel in the future as part of Jarden. I believe that Jarden is a partner well-suited to help our businesses capitalize on our strong foundation and rich heritage."

In connection with the acquisition, Warburg Pincus will invest $350 million in Jarden and the firm's Co-President, Charles R. Kaye, will join the Jarden board of directors.

Commenting for Warburg Pincus, Mr. Kaye said: "We're delighted to have the opportunity to partner with a successful and dynamic entrepreneur like Martin and to work together with his team to help Jarden enhance its operating platform for growth and margin expansion." Mr. Franklin further stated, "We welcome our new investor, Warburg Pincus, and look forward to a rewarding and mutually beneficial relationship as we work to maximize the potential of the combined company."

The transaction is expected to close during the first quarter of 2005, subject to Hart-Scott-Rodino approval and other customary closing conditions. Upon completion of the acquisition, Jarden will be a global leader in the consumer products sector:

Annualized combined revenue	Approximately $2.6 billion
Number of employees	Approximately 9,000
Market-leading brands	JARDEN Ball(R), Bee(R), Bernardin(R), Bicycle(R), Crawford(R), Diamond(R), FoodSaver(R), Forster(R), Hoyle(R),

	Kerr(R), Lehigh(R), Leslie-Locke(R), Loew-Cornell(R) and VillaWare(R). AMERICAN HOUSEHOLD BRK(R), Campingaz(R), Coleman(R), First Alert(R), Health o meter(R), Mr. Coffee(R), Oster(R) and Sunbeam(R)
Company headquarters	Rye, New York
Chairman and Chief Executive Officer	Martin E. Franklin

"We are tremendously excited to work with the people of American Household," Mr. Franklin said, commenting on the combined company's employee base. "We have always said that Jarden's most important assets are our employees, and our commitment to them, in addition to our customers and shareholders, will continue to guide our company."

Citigroup Global Markets and CIBC World Markets are acting as primary financial advisors to Jarden and have provided commitments to underwrite the debt financing for the acquisition. In addition, Citigroup Global Markets rendered a fairness opinion to Jarden related to the acquisition of American Household.

Jarden will be hosting a conference call at 9:45 a.m. eastern time today, September 20, 2004, to further discuss this transaction and respond to questions. The listen-only mode of the call can be accessed by dialing 800-247-9979 (or 973-409-9254 for international callers). The call will also be web cast through the company's website, www.jarden.com, and will be archived from one hour after completion of the call until October 18, 2004. If you are unable to participate in the conference call, you may listen to a rebroadcast by dialing 877-519-4471 (or 973-341-3080 for international callers) and entering pin number 5195017. The rebroadcast will be available from September 20th until midnight September 27th.

ABOUT JARDEN CORPORATION

Jarden Corporation is a leading provider of niche consumer products used in and around the home, under well-known brand names including Ball(R), Bee(R), Bernardin(R), Bicycle(R), Crawford(R), Diamond(R), FoodSaver(R), Forster(R), Hoyle(R), Kerr(R), Lehigh(R), Leslie-Locke(R), Loew-Cornell(R) and VillaWare(R). In North America, Jarden is the market leader in several targeted consumer categories, including home canning, home vacuum packaging, kitchen matches, plastic cutlery, playing cards, rope, cord and twine and toothpicks. Jarden also manufactures zinc strip and a wide array of plastic products for third party consumer product and medical companies, as well as its own businesses.

ABOUT AMERICAN HOUSEHOLD, INC.

American Household, Inc. is a leading global consumer products company that designs, manufactures, and markets, a diverse portfolio of durable consumer products. Through its subsidiaries, American Household produces a diverse array of products including coffeemakers, irons, blenders, toasters, smoke alarms, scales, tents, coolers, sleeping bags and lanterns under the well-known brand names BRK(R), Campingaz(R), Coleman(R), First Alert(R), Health o meter(R), Mr. Coffee(R), Oster(R), and Sunbeam(R).

ABOUT WARBURG PINCUS

Warburg Pincus has been a leading private equity investor since 1971. The firm currently has approximately $14 billion under management, including $4 billion available for investment in a range of industries including business services, energy, financial services and technologies, healthcare and life sciences, information and communication technology, media and real estate. The firm has invested approximately $2.5 billion in more than 75 consumer and industrial companies, including Mattel (NYSE: MAT), Knoll, and ChipSoft, maker of TurboTax and acquired by Intuit (Nasdaq: INTU). Warburg Pincus is an experienced partner to entrepreneurs seeking to create and build durable companies with sustainable value. The firm has an active portfolio of about 125 companies. For more information, please visit www.warburgpincus.com.

Note: This news release contains "forward-looking statements" within the meaning of the federal securities laws and is intended to qualify for the Safe Harbor from liability established by the Private Securities Litigation Reform Act of 1995, including statements regarding the outlook for Jarden's markets and the demand for its products, the expected closing of the American Household, Inc. acquisition and the investment by Warburg Pincus, and each of the transactions effects on Jarden in the future. These projections and statements are based on management's estimates and assumptions with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those projected as a result of certain factors. A discussion of factors that could cause results to vary is included in the Company's periodic and other reports filed with the Securities and Exchange Commission.

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